

# **Social Security Bulletin**

**June 1940**

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## ***Special Articles***

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**Volume and Disposition of New Claims  
for Benefits in 1939**

**Social Insurance and Related Measures  
in Wartime Europe**

**Extension of the Scope of National Assistance  
Programs in Great Britain**

**FEDERAL SECURITY AGENCY  
SOCIAL SECURITY BOARD**

**WASHINGTON, D. C.**

**Volume 3**

**Number 6**



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FEDERAL SECURITY AGENCY  
SOCIAL SECURITY BOARD

WASHINGTON, D. C.

ARTHUR J. ALTMAYER, *Chairman*

GEORGE E. BIGGE

ELLEN S. WOODWARD

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# Social Security Bulletin

Volume 3

JULY 1940

Number 7

## SOCIAL SECURITY IN REVIEW

DURING THE MONTH OF JUNE, increasing emphasis was placed on the relation of the social security program to national defense. In its report at the end of a 2-day conference in Washington on June 21 and 22, the Federal Advisory Council for Employment Security made recommendations concerning the functions of the Employment Service in the national defense program. The Council, appointed by the Social Security Board, is composed of 13 representatives each of employers and of employees and of 22 representatives of the public.

The report, accepted on June 28 by the Social Security Board and the National Defense Commission, embodies a 7-point program. Employers are urged to file with local employment offices their immediate and prospective requirements for workers, by occupation and skill; and to refrain from competitive bidding for labor and from recruiting outside their immediate locality, until the facilities of the employment offices have been exhausted locally and through intercity and interstate cooperation. All persons employable for needed occupations, including skilled workers now employed on semiskilled and unskilled jobs, are encouraged to register with their local employment office and discouraged from moving to new localities in search of jobs without first clearing through the local employment office.

The Council recommended that the Employment Service proceed immediately with a re-examination of registrants in both the active and inactive files to ascertain suitability for different occupations. To effectuate these policies, the Bureau of Employment Security should proceed at once to reappraise its organization and personnel, and to bring to their full strength and effectiveness local advisory councils throughout the country.

As part of a training program, the Council recommended also that the Employment Service

ascertain the capacity of available workers to qualify for essential occupations by training or supplementary training and give immediate attention to the problem of selecting and training instructors. Under the program, it is recommended that the National Defense Commission give organized attention to the coordination of needed facilities and activities. In the placement of workers, the Council for Employment Security recommended that, insofar as the powers of the Social Security Board permit, priority be given to citizens and to those who have taken out first citizenship papers.

In the Second Deficiency Appropriation Act, 1940, approved by the President on June 27, \$2 million is appropriated "For all necessary expenses . . . incurred under the supervision and direction of the Federal Security Administrator in providing special Federal assistance to and supervision of State employment services for the selection and testing for, and placement of workers in, occupations essential to the national defense . . ."

The act also includes an appropriation of \$15 million for the Office of Education for the vocational education of defense workers. From this sum payments will be made to the States or other approved public authorities for the supplemental training in vocational schools of workers employed in occupations essential to the national defense and for preparing workers selected from public employment registers for such occupations.

Upon the recommendation of the Commissioner of Public Buildings, the buildings now in process of construction for the Social Security Board and the Railroad Retirement Board will be made available to personnel engaged in national defense activities. The Second Deficiency Appropriation Act, 1940, authorizes an increase from \$14,250,000 to \$14,750,000 as the limit of cost for the acquisition of land and the construction of



these buildings. The additional amount of \$500,000 is authorized to ensure early completion of the buildings.

In an address before the New York State Association of Public Welfare Officials at their annual meeting in Saratoga Springs, New York, on June 20, the Executive Director of the Social Security Board stated: "As the defense program progresses, we may surely expect some action to protect the accumulated rights of those who already have earned credits before entering military service. It may even be possible that the system can embrace some plan for family income for wives and children of those in military service. Whatever the detailed plans, there is in old-age and survivors insurance a Nation-wide organization to cope with the problems as they arise."

APPROPRIATIONS for carrying on the work of the Social Security Board during the fiscal year 1940-41 were provided in the Labor-Federal Security Appropriation Act, 1941, approved by the President on June 26. An appropriation totaling \$27.2 million was included for salaries and expenses of the Board; \$245 million for grants to States for old-age assistance, \$75 million for aid to dependent children, \$10 million for aid to the blind, and \$61 million for State unemployment compensation and employment service administration; and \$3 million for payments to States under the Wagner-Peyser Act.

PAYMENTS for public assistance and earnings of persons employed under Federal work programs in the continental United States declined in May for the second consecutive month. The total of \$274.8 million represented a decrease of 1.7 percent from the amount reported for April and a decrease of 10.8 percent from the total for May 1939. This decrease is attributable mainly to the decline in earnings of persons employed on Work Projects Administration projects, which constituted 41.6 percent of total obligations for assistance and earnings in May 1940 and decreased 4.7 percent from the preceding month. Obligations of \$35.4 million incurred for general relief represented a decrease of 6.5 percent.

UNEMPLOYMENT BENEFIT PAYMENTS of \$54.9 million in May represented the largest amount

paid in any month since benefits first became payable and an increase of 30 percent over total payments in the previous month. The increase in the volume of benefit payments was attributable largely to the expansion of compensable claims in States which initiated new uniform benefit years in April. During May the volume of continued claims increased more than 10 percent to 7.3 million. The total number of weeks of unemployment compensated increased 31 percent to 5.5 million.

During May placements in public and private employment made by State employment offices totaled about 350,000, of which more than 304,000 were in private employment. The increase of approximately 17 percent in the total number of private placements over April largely represented increased demands for agricultural workers and improvement in employment conditions in some seasonal industries.

AN AMENDMENT to the Railroad Unemployment Insurance Act, approved by the President on July 2, extends until July 1, 1942, the final date on which action may be taken by the States to transfer from their accounts in the unemployment trust fund to the railroad unemployment insurance account the amounts provided under section 13(d) of the act. These amounts constitute approximately the difference between collections by the States from railroad employers and benefits paid by the States to railroad workers with respect to unemployment occurring prior to July 1, 1939, and collections made by the States from railroad employers and employees during the period July 1-December 31, 1939.

Under the amendment, the Social Security Board is enabled to continue the payment of the administrative expenses of the Kentucky Unemployment Compensation Commission. The highest court of that State ruled as unconstitutional a part of the action of the State legislature in authorizing the transfer of funds as provided in section 13(d) of the Railroad Unemployment Insurance Act and further held that no part of the moneys in the Kentucky account in the unemployment trust fund could be used to defray the expenses of administration of the Kentucky Unemployment Compensation Act as provided in section 13(e).



# SOCIAL SECURITY IN RELATION TO AGRICULTURE AND RURAL AREAS

A. J. ALTMAYER \*

SOCIAL SECURITY and civil liberty are two inter-related problems. In Europe as well as in this country during recent years we have seen that when the economic security of large masses of people is threatened there is also a threat to political security. The farm-mortgage riots, the bonus riot, the marches on State capitols during the early '30's—all these manifestations of economic insecurity resulted in incidents which seriously threatened our political security. And, of course, when political security disappears, civil liberties also vanish. Moreover, unless individuals possess some degree of economic security they cannot really enjoy liberty or exercise effectively their civil rights. There can be no question that the economic insecurity arising out of the instabilities and maladjustments of our highly complex economic system are fundamental factors in the threat to our social and political institutions which has been developing through the world in recent years.

There are some people in this country who still cannot understand why our Government should concern itself so much with what they still consider matters of individual responsibility. Some people probably still feel that anyone who really wants to work can really find a job; that dependency in old age is due to a lack of thrift, and that, by and large, dependent children and disabled workers should be taken care of by their relatives. As somebody has said, these people believe that everybody should have the right to work out his own destitution.

In turning to their Government and undertaking to furnish social security through their Government, our people were not misled by some who said that security can be purchased only at the price of liberty and freedom. I remember that in my own State of Wisconsin, speculators undertook to lure unsuspecting city dwellers onto worthless land with the slogan, "Forty Acres and Freedom." I saw one of these signs after some settler had altered it to read, "Forty Acres and Freedom—to Starve."

In my opinion that altered sign expressed a great truth. There is such a thing as liberty in the purely negative sense of being let alone, but liberty in the true sense is based upon security—that is, a real opportunity to live a reasonably satisfying life. However, it is true that the basic economic problem which faces us at the present time is how to provide adequate security for the individual and his family without discouraging individual initiative and thrift. But we know that destitution feeds upon itself and carries in its train evils that increase our problem—evils which this committee has shown to exist. We cannot expect the helpless and the hopeless to regenerate themselves or instill in their children habits of thrift and independence. We cannot expect men and women driven from their homes and their land to remain self-sustaining members of society. We can, however, by setting up certain protections and extending a helping hand to those in distress, restore their hope and their faith and make them and their families self-respecting, independent members of their own communities.

I wish to discuss today some ways in which I believe the freedom of our people could be promoted through the extension of our social security legislation—freedom from the haunting specter of insecurity. Before discussing the provisions of the Social Security Act it might be pointed out that the term "social security" is a term which has come into use only within the last few years. However, in a general sense it means the well-being of the people and is synonymous with the term "general welfare" which appears in the Preamble of the Constitution of the United States, which quite significantly links up the general welfare and liberty in the following words: "to . . . promote the General Welfare, and secure the Blessings of Liberty to ourselves to our Posterity." In the broadest sense, social security therefore describes a program of protection and prevention undertaken through government and directed against those hazards to which large numbers of individuals and families stand exposed. Today, however, I shall speak only about those programs of social security

\*Chairman, Social Security Board. Summary of a statement made by Mr. Altmeyer before the Senate Civil Liberties Committee, June 3, 1940.



related to legislation connected with the Social Security Act.

### "Agricultural Labor" Under the Federal Old-Age and Survivors Insurance System

The original 1935 Economic Security Act, drafted by the President's Committee on Economic Security, included all wage and salaried employees including agricultural labor. In its report to the President the Committee on Economic Security said:

Agricultural workers, domestic servants, home workers, and the many self-employed people constitute large groups in the population who have generally received little attention. In these groups are many who are at the very bottom of the economic scale. We believe that more attention will have to be given to these groups than they have received heretofore. We cannot be satisfied that we have a reasonably complete program for economic security unless some degree of protection is given these groups now generally neglected.<sup>1</sup>

In the 1935 Social Security Act, however, Congress excluded "agricultural labor." The exclusion of agricultural workers was due primarily to the administrative difficulties involved. The seasonal character of the industry, the high degree of mobility of the workers, the large number of employers and their scattered location, all indicated that the inclusion of agricultural labor would involve difficult problems of administration.

In 1939 the insurance program was amended in many respects, the most notable being the increase in average benefits during the early years of the system, payment of monthly benefits in 1940 instead of 1942, the payment of additional benefits to the wife and children of an annuitant, and the payment of monthly benefits to the widow and children of a deceased insured worker at any age. While these forward-looking amendments to the program were passed, certain other amendments were enacted which restricted the coverage and protection of the system. The original exclusion of "agricultural labor" was broadened so that an additional 600,000 to 700,000 individuals were excluded from the protection of the insurance system. Many of these workers who were excluded are not engaged in "agricultural labor" in the usual sense of the word. Many of them work in towns and cities and are engaged in processes identical or similar to those engaged in by

workers in factories and in industries now covered by the Social Security Act. For instance, over 15,000 of the workers so excluded are carpenters, painters, engineers, bookkeepers, accountants, and so forth.

Under the original 1935 Social Security Act excluding "agricultural labor" this term was defined by regulation to mean, in general, work on a farm and in the employ of a farm operator in connection with the production of crops and the management of livestock. The 1939 amendments broaden this definition by stating that the employee can perform the services for "any person" and include all operations which are "incident to" farming. The 1939 amendments broaden the term so as definitely to exclude persons employed by nonfarm employers such as large-scale business firms that purchase and harvest an entire crop (such as chain stores or commission houses). This broader language also means that work in connection with the preparation of natural agricultural products for market and transportation "to market or to a carrier" is exempted service when it is performed for a "farmer," "cooperative," or "group" of farmers and the products are 50 percent of their own production. This language is intended to provide exemption for central plants that clean, grade, pack, and prepare products for market, store, and transport the products to market or a carrier. In the case of fruits and vegetables, the exceptions are extended to services "incident to" marketing, which is intended to include preparation and transportation to a carrier or market, whether done by a group of producers or by a commercial handler.

The most important single group of employees excluded from social security protection by the 1939 amendments are the workers engaged in the packing of fruits and vegetables. There are about 125,000 such persons employed at the peak of the season, but because of the turn-over of employment due to the seasonal character of the work, the total number in this group is much larger than this figure. About 40,000 of these employees are engaged in packing citrus fruits.

An analysis of carlot shipments of commercially packed fruits and vegetables shows that the industry is concentrated in a few States and areas. Practically all citrus packing takes place in California, Texas, and Florida. In 1939 three States

<sup>1</sup> Committee on Economic Security, *Report to the President*, 1935, p. 49.



shipped 94 percent of the pears; two States shipped 94 percent of the lettuce; two States shipped 85 percent of the celery; six States shipped 86 percent of the tomatoes; and nine States shipped 90 percent of the apples.<sup>2</sup>

In a recent decision, a United States Circuit Court refused to recognize that employees of a citrus-packing house were agricultural laborers. The court found that "industrial activity" commonly means the treatment or processing of raw products in factories. When the product of the soil leaves the farmer as such, and enters a factory for processing and marketing, it has entered upon the status of "industry."<sup>3</sup>

In the case of the *Pinnacle Packing Company v. State Unemployment Commission* an Oregon court said:

The fruit growers who are engaged in the care, cultivation, picking, and delivery of the products of the orchard to be processed, graded, packed, and marketed are engaged in agricultural labor and are exempt from the provisions of the statute. As soon as the fruit is delivered by the growers to the plaintiff for processing, grading, packing, and marketing, then the exemption ceases. The plaintiffs engaged in processing, grading, and packing and marketing the fruits are engaged in industry and are, therefore, subject to the provisions of the act and are not exempt as being engaged in agricultural labor.<sup>4</sup>

In discussing the industrial nature of packing-house operations, an interdepartmental committee sent to investigate labor problems in the Florida citrus industry in 1934 stated:

The packing house employees are distinctly industrial labor. They are used in cleaning, grading, and packing the fruit. They are factory workers, skilled and unskilled carrying on routinized operations. They are the adjuncts of belt conveyors, mechanical graders and other typically industrial machinery . . .<sup>5</sup>

Further evidence of the industrial nature of packing houses is presented by a report<sup>6</sup> on the citrus-fruit packing industry prepared by the Wage and Hour Division of the Department of

Labor. This report shows that in 4 important citrus counties in California, 162 plants or 61.1 percent of all plants had 100 or more employees and 32.1 percent had 200 or more employees. Five plants in this California group employed 500 or more workers. In Florida, 68 plants or 42 percent of all plants employed 100 or more workers.

Secretary of Agriculture Wallace has also expressed the belief that there is no justification for singling out these industries for special treatment when industry generally is subject to the act.

In view of the facts cited above, the Social Security Board is of the opinion that this group of excluded workers should be reincluded under the provisions of the Social Security Act. S. 3902, introduced by Senator Pepper on May 1, proposes to reinclude under both the old-age and survivors insurance system and the unemployment compensation program employees engaged in the preparation of fruit and vegetables for market. The bill is now pending before the Senate Finance Committee.

In the past the coverage of fruit and vegetable-house employees, because of their industrial nature, offered no administrative problem of coverage.

The location of the industry, the size of the plants, the employer-employee relationship, and the recordkeeping work do not offer any special problems as strictly agricultural employment might offer, but are comparable to many other industries now included under the Social Security Act.

Another important group of workers excluded by the 1939 amendments are the persons working in cotton gins—about 40,000 during the course of a year. I have received many letters from workers excluded by the 1939 amendments protesting their exclusion from coverage, and the following excerpts are taken from a recent letter I received from a cotton-gin worker from Louisiana:

. . . all Cotton Gin Workers are or should be skilled workers and only a very few do any farm labor. If the Cotton Gin Workers are to be classed as farm labor, I think the grain elevators, rice mill and sugar mill and tobacco worker should also be classed the same.

. . . And as you know we in the ginning industry have not trained any workers for several years and in a few places there will be a shortage of cotton Gin Operators to take our places. As our ages run from 45 to 70 years at the present time and that if we cannot offer Social Security to young workers we cannot get the best to train.

<sup>2</sup> U. S. Department of Agriculture, Agricultural Marketing Service, *Our Let Shipments of Fruits and Vegetables . . . 1939*, March 1940.

<sup>3</sup> *North Whittier Heights Citrus Ass'n v. National Labor Relations Board*, No. 8819, Jan. 12, 1940, in the U. S. Circuit Court of Appeals for the Ninth Circuit.

<sup>4</sup> *Pinnacle Packing Co. Inc. et al. v. State Unemployment Compensation Com. et al.* Feb. 19, 1937. Oregon Circuit Court for Jackson County. Commerce Clearing House, Oregon, pars. 8013 and 8014.

<sup>5</sup> U. S. National Recovery Administration, Division of Review, *Limits of Coverage of Labor in Industries Closely Allied to Agriculture Under Codes of Fair Competition Under NIRA*, Work Materials No. 45, Appendix B, March 1936, p. 37.

<sup>6</sup> *Report on the Citrus Fruit Packing Industry under the Fair Labor Standards Act*, pp. 10, 12.



Approximately 10,000 workers employed in cooperative grain elevators also are excluded by the 1939 amendments. One of these workers from Michigan also protesting his exclusion from coverage wrote me a short time ago as follows:

Recently we, who are employed in the Country Bean and Grain Elevator Industry, were informed that we were no longer entitled to Social Security as we were closely allied to the Agricultural Industry.

We process produce for Interstate Commerce and are no more to be deprived of this Gov't. Insurance than an employee who helps manufacture farm implements. This industry is'ent even seasonal as we process the year around . . . Now I ask, is this Democracy at work.

In general, the comments I have just made are applicable to all of the groups excluded by the 1939 amendments. The Social Security Board is of the opinion that the 1939 amendments should be repealed and that the agricultural labor exemption be modified so that this exception applies only to the services of a farm hand employed by a small farmer to do the ordinary work connected with his farm. H. R. 7935, introduced by Congressman Haverhatter on January 16, 1940, provides that the term "agricultural labor" under both the old-age and survivors insurance system and the unemployment compensation program be amended to mean "service by a farm hand in the employ of a bona fide farmer to do work connected with a nonindustrial farm."

#### ***Extension of Coverage to All Agricultural Labor***

In addition to the recommendations cited above, the Social Security Board recommends further that, with a reasonable time allowed before the effective date, the agricultural labor exception be eliminated entirely with respect to the Federal old-age and survivors insurance system. The Board has given a great deal of study to this problem and believes that it is administratively feasible to work out certain adjustments in the present program to take account of the special factors involved in the field of agricultural labor. A simple system of collecting contributions by means of the stamp system would appear to be readily workable in cooperation with existing institutions, such as the post offices, the employment offices, and the various field offices of the Social Security Board. By determining the contributions to be made by means of a wage-class system, the administration of the plan could be

simplified for the employers and employees and the Government.

Several foreign countries have included agricultural labor. I am submitting for the record material showing how agricultural labor is dealt with in the old-age insurance systems of France, Germany, and Great Britain.

This recommendation of the Social Security Board is supported by a recommendation on the same subject by the Advisory Council on Social Security, consisting of 25 persons representing employers, workers, and the general public. In the report of the Advisory Council on Social Security made in December 1938, the following statement will be found under the Council's recommendation that the coverage of farm employees under the Federal old-age and survivors insurance system "is socially desirable and should take effect, if administratively possible, by January 1, 1940":

Farm and domestic employees are, in general, among those wage earners most in need of protection against dependent old age and premature death. Low wages and intermittent employment frequently combine to make individual savings difficult. Their exclusion from the existing legislation was based to a considerable extent on grounds of administrative difficulties foreseen with respect to wage reporting and tax collections. Recent studies indicate that the additional cost of extending the coverage of the system to these classes of workers will be considerably less than originally estimated since a large number of such workers are already coming under the system through employment in covered occupations on a seasonal or part-time basis. Intermittent coverage of this character is not only unsatisfactory in the benefits afforded but is a factor of uncertainty in financing the program. These groups could probably be covered by means of some form of stamp-book system applied to a limited number of broad wage classifications.<sup>7</sup>

In addition, extension of coverage to all agricultural labor has been recommended by the American Federation of Labor, the Congress of Industrial Organizations, the National Association for the Advancement of Colored People, and other groups.

#### **Unemployment Insurance for Agricultural Workers**

All of the State unemployment compensation laws with the exception of that for the District of Columbia exempt agricultural labor. How-

<sup>7</sup> Advisory Council on Social Security, *Final Report*, Dec. 10, 1938, p. 10.



ever, the definition of the term varies from State to State.

The reasons for exclusion of agricultural workers from coverage under the unemployment insurance program were very much the same as those which actuated their exclusion from old-age insurance. As the insurance programs have become established and operating procedures tried out in actual practice, it has become apparent that the extension of protection to agricultural workers has somewhat different implications for unemployment insurance than for old-age and survivors insurance.

It should be emphasized, however, that in the case of the additional groups excluded from the social insurance programs by the broadening of the term "agricultural labor" in the 1939 amendments to the Social Security Act, there are no administrative difficulties in the way of coverage under either program. These groups are essentially industrial wage workers, and their inclusion is both administratively possible and socially desirable.

In Great Britain, unemployment insurance was extended to agricultural labor in 1936. A separate schedule of contributions and benefits was adopted although the law is administered in conjunction with the law for all industrial workers.<sup>1</sup>

Somewhat more than half of the State laws now contain provisions permitting the limitation of the benefits which can be paid to seasonal workers. Although only a few States have put these provisions into effect, there is increasing pressure to have benefits denied to seasonal workers during parts of the year. Agriculture is one of the most seasonal of all industries. An illiberal interpretation of seasonality provisions could result in the denial of benefits to the great majority of agricultural workers and completely negate the effect of extension of coverage to this group. This, of course, could be prevented through an appropriate provision in the Social Security Act.

The administrative problems involved in the extension of unemployment insurance to agricultural workers are in many respects similar to those which would arise in the case of old-age and survivors insurance. Tax collections should be handled similarly for the two programs. Thus the

necessity of estimating the cash value of wages in kind would arise under both programs and would call for close coordination of administration under the two programs to achieve the most satisfactory results.

In certain respects the administration of a system of unemployment insurance for agricultural workers would involve difficulties not found in old-age and survivors insurance. Since adequate administration of unemployment insurance requires that the worker be able to register for work and claim benefits reasonably near his place of employment or his residence, a considerable extension of the services now available through the public employment offices would probably be necessary were agricultural workers to be included under the program. In the past few years we have developed the beginnings of a farm placement service. An extension of this service would not only make possible the payment of benefits to agricultural workers unable to obtain employment, but by promoting a more orderly organization of the agricultural-labor market would at the same time decrease the need for such benefits.

The extension of unemployment insurance to agricultural workers could mean a guarantee of continuing income to a large group of our population which is at present too often completely without resources. The social advantages of such a program would be tremendous. It must be recognized, however, that certain costs would also be involved. Whether those costs can or should be borne primarily by agriculture is a question in need of further serious study. Moreover, before any attempt is made to extend unemployment insurance to agricultural workers, we should be certain that the system we propose to extend is so designed as to provide reasonable benefits on a Nation-wide basis to all the workers within its scope.

#### *The Farm Placement Service*

The Wagner-Peyser Act, passed by Congress in 1933, created a Federal-State system of employment offices and authorized the Federal Government "to maintain a farm placement service." Until July 1, 1939, these functions were carried out in the Department of Labor at which time they were transferred to the Federal Security

<sup>1</sup> Cohen, Wilbur J., *Unemployment Insurance and Agricultural Labor in Great Britain*, Social Science Research Council, Pamphlet Series, No. 2, February 1940.



Agency and coordinated with the unemployment compensation functions of the Social Security Board.

Today there are nearly 1,500 fully equipped and fully staffed public employment offices and approximately 3,000 additional locations visited periodically by itinerant interviewers in order to serve sparsely populated areas. These offices stand ready for any service designed to bring men and jobs together. In agriculture, industry, and commerce they can help to reduce the time and cost involved in job hunting by employees and in bringing to employers qualified workers without cost. Nearly 5.7 million persons are registered for work at these offices in practically every line of endeavor. Nearly 4.5 million jobs were filled during the year 1939 by placements made through employment offices. Over 1.1 million youth placements were made and 143,000 veterans' placements. Agricultural placements have increased from 200,000 placements in 1935 to more than 1 million in 1939—a fivefold increase.

Despite the notable advances during the last 8 years much remains to be done in both industry and agriculture in our employment service. Particularly in agriculture the workers suffer unduly from a lack of reliable job information. They are misdirected by rumor, handbills, and irresponsible recruiting to areas in which a surplus of labor already exists; often they are misinformed regarding the wages paid and available housing. The low standard of living and poor health of these unemployed workers also threaten the living conditions and wage structure of the communities into which they come. The farm placement program is such that it can be an effective means of dealing with this part of the problem. In cooperation with other agencies it can be a means of stabilizing farm-labor resources, providing a more adequate annual income to a limited number of qualified workers, eliminating the irresponsible recruiting practices of labor contractors, and providing the grower with experienced workers.

It is the objective of the Employment Service first to retard and then definitely to control what has been in the past a haphazard migration. Its over-all purpose is to meet the needs of both growers and workers and at the same time to avoid unnecessary and fruitless migration of labor. The methods now being followed by the Employment

Service to further this objective are carried out at three different levels:

1. Through Federal administrative control. Headquarters of the Farm Placement Service in the Employment Service Division of the Social Security Board gathers information with respect to major seasonal crops and their location by States. In the organization of the work at this level, information is secured with regard to acreages; availability of workers within the State; the character of the work required; the number of workers required; and the amount of migration across State lines, or for great distances within one State. Such information is made available to the State administrative agency.

Federal farm placement supervisors have been placed in States which require large movements of agricultural workers to cultivate and harvest seasonal crops. These men serve in an advisory capacity to the State employment service. While they are administratively responsible to the chief of the Farm Placement Service in Washington, they operate under the general supervision of the State director. The farm placement supervisors aid in preseasonal planning with their respective States with regard to the needs of workers and growers.

2. State administrative control. Whether or not Federal farm placement supervisors are available within the State, information is organized with regard to crops; acreages; the number of workers needed, where they are needed, when they are needed, and whether the labor is available locally within the immediate area. If sufficient labor is not available locally, provision is made for proper requisitioning of additional workers at nearest points of supply. Information obtained through State administrative control is disseminated to the local offices in order that each employment office may be fully aware of its agricultural labor problems and be prepared for peak labor demands.

3. Local-office control. This consists of accumulating information such as that used at the State administrative level, particularly as it is applied to the area served. The local office must know these problems in more intensive detail than it is possible for the State headquarters to know them. The local office must know the sizes of farms and number of acres in cultivation. The size and condition of crops on certain farms are



used as an index of labor that will be needed during the season.

The success of the Farm Placement Service in coping with the problem of migratory movements in a number of States indicates that an enlarged program projected along the same lines will go far to correct conditions causing large-scale migration.

There are now 20 Federal farm placement supervisors assigned to 18 agricultural States. Eight of these supervisors work full time on the farm placement problem. The remaining 12 must, because of inadequate administrative funds, work part time in other capacities. Up to the present time there have not been adequate Federal funds or adequate Federal leadership in the promotion of a Nation-wide farm placement program. The organization of the farm placement program in Texas is the outstanding example of the lines along which a successful program can be operated. The Employment Service Division of the Social Security Board is prepared to develop a comprehensive program for agricultural placements in all agricultural areas throughout the Nation.

### Public Assistance to the Needy

More than 1.9 million needy aged, 780,000 dependent children, and 46,800 needy blind are now in receipt of assistance under the Federal-State programs embodied in the Social Security Act. Substantial progress has been made since 1935 in providing more humane, more systematic, more adequate aid to these needy groups. All the States and Territories have old-age assistance programs, 43 States and Territories have programs for aid to the blind, and 42 for dependent children.

Last year Congress liberalized the public assistance programs in several respects. The maximum amount of assistance which the Federal Government will match was raised from \$30 per month to \$40 per month for old-age assistance and aid to the blind. Federal matching for aid to dependent children was increased from one-third to one-half and the age limit raised from 16 to 18 for those children regularly attending school. One very important amendment urged by the distinguished chairman of this subcommittee which he so ably advocated on the floor of the Senate was the provision extending the merit system of personnel administration to all State programs

administering social security funds. In addition, Congress also passed amendments requiring the States, in order to receive grants for public assistance, to provide safeguards to restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with the administration of the plan. These amendments, which become effective July 1, 1941, are designed to ensure that the recipients are protected from humiliation and exploitation.

Despite these important advances made last year, much more remains to be done to make the existing public assistance programs more adequate and to make it possible for them to furnish aid to all needy persons. I would like to discuss briefly some further changes in the existing programs which would be of particular help to the rural areas.

### *Variable Grants to States With Inadequate Financial Resources*

In many States and in many counties aged and blind persons and dependent children are in *need* of public assistance but are not in *receipt* of such aid. In many such areas where assistance is granted, the aid is spread thinly over a large group of needy people. The primary reason for this situation is that these States and counties do not have the financial resources to take full advantage of the Federal funds for these purposes. By and large, these States and counties tend to be the poorer agricultural areas where the cash resources of both individuals and government are drastically limited. Consequently the need for assistance in these areas is relatively much greater than in other areas, while the ability to meet this need is relatively much less. Since over one-half of all recipients of old-age assistance reside in rural areas it is important to look into the relationship between rural needs for old-age assistance and the ability of rural areas adequately to meet these needs.

In Mississippi 84 percent of the aged recipients are in rural areas; in Arkansas, 80 percent. These two States have the highest proportion of rural recipients of old-age assistance in the country. They are also the two States with the lowest per capita income in the country. All of the 10 States with the lowest per capita incomes are also States with the highest percentages of rural



recipients. In these 10 poorest States the proportion of rural aged recipients varies from a minimum of 65 percent in Tennessee to 84 percent in Mississippi.

In aid to dependent children the following five States have 70 percent or more of the dependent children residing in rural areas: North Carolina, Arkansas, South Carolina, Georgia, and Virginia. In North Dakota, Oklahoma, New Mexico, and Wyoming approximately 65 percent of the children live in rural areas.

In most of these poorer agricultural and rural States, the amounts of assistance are unduly low. In Arkansas, the average payment for old-age assistance in March was only \$6 per month; in Mississippi, \$7.70; in South Carolina and Georgia, \$8; and in Alabama and Texas, about \$9.50.

The Social Security Board stated in its report to the President last year on proposed changes in the Social Security Act as follows:

Federal grants-in-aid under the three public assistance provisions of the Social Security Act will total approximately a quarter of a billion dollars during the current fiscal year. These grants are made to all States on the same percentage basis, regardless of the varying capacity among the States to bear their portion of this cost. The result has been wide difference between the States, both in number of persons aided and average payments to individuals. Thus in the case of old-age assistance the number of persons being aided varies from 54 percent of the population over 65 years of age in the State with the highest proportion to 7 percent in that with the lowest proportion. Similarly State averages for payments to needy old people range from about \$32 per month to \$6. While these variations may be explained in part on other grounds, there is no question that they are due in very large measure to the varying economic capacities of the States.

The Board believes that it is essential to change the present system of uniform percentage grants to a system whereby the percentage of the total cost in each State met through a Federal grant would vary in accordance with the relative economic capacity of the State. There should, however, be a minimum and maximum limitation to the percentage of the total cost in a State which will be met through Federal grants. The present system of uniform percentage grants results at best in an unnecessarily large amount of money flowing in and out of the Federal Treasury, and at worst in increasing the inequalities which now exist in the relative economic capacities of the States.

The Board believes that, with such large sums involved, it would be desirable to establish an interdepartmental agency representing the various governmental departments which collect and analyze economic data having a bearing on the relative economic capacity of the various States. Such an agency could be given the responsibility

of determining the relative economic capacity of the various States upon the basis of which the varying percentages of Federal grants would be computed.<sup>9</sup>

Such a change as recommended above would do much to aid the poorer agricultural States. Public assistance could be made more adequate and could be extended to a larger number of needy people. This would assist in maintaining purchasing power and would be another important step forward in promoting the economic and social security of our people.

#### *Intra-State Equalization of Public Assistance Funds*

In addition to the problem of providing adequate Federal funds to the States for public assistance, there is a related problem of making adequate Federal and State funds available to the localities. All of the State governments contribute to the various public assistance programs in accordance with the requirement in the Social Security Act. However, 28 States<sup>10</sup> require their counties or other political subdivisions also to contribute to one or more of the programs. In New Hampshire, for instance, the county share is as much as 45 percent in old-age assistance while the State contributes only 5 percent. In Maine and New York, the counties contribute 50 percent for aid to dependent children.

My own State of Wisconsin presents an example of the type of public assistance program which is dependent primarily upon the amount of funds which a county or other local governmental subdivision makes available for assistance to needy individuals. For example, under the Wisconsin old-age assistance system the counties are required to carry 20 percent of the cost to needy aged individuals; the State bears 30 percent of the total cost and the Federal Government, of course, contributes 50 percent. The total amount available for old-age assistance in any county in Wisconsin is determined therefore by the amount of the county appropriation for this purpose, since neither the State nor the Federal Government is able to increase its proportionate contribution.

<sup>9</sup> Report of the Social Security Board, H. R. Doc. No. 110, 76th Cong., 1st sess.

<sup>10</sup> These 28 States are as follows: Alabama, California, Colorado, Delaware, Georgia, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Minnesota, Montana, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oregon, Rhode Island, Tennessee, Utah, Vermont, Virginia, Wisconsin, Wyoming.



In Wisconsin, the poorest agricultural counties as well as the richest industrial counties must put up 20 percent of each old-age assistance payment. This uniform contribution from each county is not in keeping with the great disparity in economic capacity and welfare needs which exists among the various counties. According to a study made by the Wisconsin Public Welfare Department, 12 counties in the northern part of the State had 20 percent or more of the county population in receipt of some form of public assistance in December 1937. In one of the counties about 43 percent of the population was in receipt of public assistance. The report of the Wisconsin Department of Public Welfare states:

As in the two previous studies, this survey demonstrated that most of the poorer counties are located in the northern part of the State, the region that was stripped of its most valuable asset—timber—at the turn of the century.

As stated above, the basic reason for the financial difficulties of these northern counties was the rapid depletion of their timber resources. The cut-over land was agriculturally unprofitable and did not offer its inhabitants an opportunity to earn even a meager income. Naturally, taxes were allowed to become delinquent, relief rolls increased, and property values dropped. Since these trends were not accompanied by a corresponding decrease in the ordinary cost of government, it was inevitable that the counties should gradually find themselves in a dangerously unstable financial condition. Tax rates have been increased to the maximum allowed by statute.<sup>11</sup>

The fact that many States thus require their counties to contribute under the various programs has had an inhibiting effect upon the development and expansion of all the public assistance programs. Since county and local funds are raised practically entirely from general property taxes this source of funds has offered very little possibility in recent years for yielding increased revenues. The result has been that many rural counties do not have the necessary money to enable them to obtain State and Federal matching for needy persons in their communities. While some States have adopted equalization plans to aid counties which are unable to pay their share of the public assistance programs, this is still in a developmental stage. In Utah, for instance, the State requires each county to contribute 15 percent of the costs of assistance to the aged, to the blind, as well as to dependent children. In Utah, the county share is paid from State funds when coun-

ties are unable to meet their share by a 5-mill levy on all taxable property within the county.

Even an increase of Federal funds to the States will not result in more adequate assistance unless satisfactory methods are worked out for equalizing available funds *within* the States. Two general alternatives are possible: (1) a Federal requirement that counties or local subdivisions cannot be required to match Federal and State funds; or (2) a Federal requirement that each State requiring county or local matching provide some type of an effective equalization fund.

### *Residence Requirements*

The Social Security Act provides that no plan for State old-age assistance or for aid to the blind can impose a residence requirement which excludes any resident of the State who has resided in the State for 5 years during the 9 years immediately preceding his application for assistance and who has resided in the State continuously for 1 year immediately preceding the application. Practically all of the States have adopted identical residence provisions in their State old-age assistance laws. However, it is significant that nine States have voluntarily provided more liberal residence requirements. In New Hampshire, for instance, the residence requirement is only 6 months; in five States it is 1 year; and in one State only 2 out of the last 5 years; in one it is 2 out of the last 10 years; and in one it is 5 out of the last 10 years. Of course, any State is free to adopt residence provisions more liberal than Federal law if the State wishes to do so. The Federal law only sets the maximum length of residence which may be required; any State may require a shorter period.

There is no doubt that these residence requirements frequently prevent or postpone the granting of assistance in certain cases. Migratory agricultural workers, salesmen, actors, and many other groups often find it difficult to prove long residence. The highly mobile character of our labor force makes it more difficult year after year to cling to our outmoded notion of permanent residence in one place. Workers must go where there are jobs and must move on as industrial processes change, as new industries grow up and as old ones decline. As the economic system creates demands for labor in new areas and dries up the demand for labor in

<sup>11</sup> Wisconsin Public Welfare Department, *Financial Condition of Wisconsin Counties, 1937*, p. 30.



other areas, people move frequently, losing their rights to public assistance and general relief.

These considerations indicate that the existing residence requirement for old-age assistance and aid to the blind should be liberalized in the Federal law. In the aid to dependent children program the maximum residence requirement provided in the Federal law is 1 year. Such a provision could be included in the programs for the aged and the blind.

### ***Aid to Dependent Children***

Between one-half and two-thirds of the children in American cities live in homes where the family income is less than sufficient to maintain a decent standard of living. Over 30 percent of all children live in farm families which receive less than 10 percent of the national income.

These two simple facts tell the story of the insecurity which confronts the families and the children of America. It is imperative, therefore, that there should be a well-rounded program of protection for the child and the family.

The development of the program for aid to dependent children has lagged far behind the assistance programs for the aged and the blind. In the first place, only this year for the first time was the children's program put on a par with the aged and blind program insofar as Federal funds is concerned. For 4 years the Federal Government matched only one-third of the payments for aid to dependent children while the aged and blind programs received one-half. This anomaly was remedied by Congress last year when it raised the Federal matching for aid to dependent children to one-half. Consequently while there are programs for the aged in every State there has been no program for aid to dependent children in 8 States and Alaska. Furthermore, the average payment per child is only about \$13 per month in the 42 States which have such programs in operation.

While the increased Federal matching for children will probably result in all States having such programs by next year it will also result in an expansion of the number of children aided in States with existing programs. It is estimated that by June 30, 1941, approximately 1 million children will be in receipt of such aid. However, the number of dependent children is probably closer to 2 million, and consequently this program must be

rapidly expanded if we are to make adequate provision for our children.

The eight States which do not have aid to dependent children programs are in most cases States with large rural populations. Kentucky, Mississippi, South Dakota, Texas, Iowa, and Nevada all have very substantial rural populations; Connecticut and Illinois, the other two States, also have important rural areas.

With respect to the amount of assistance per child, the present program also needs modification. The existing maximum amount of aid per child matched by the Federal Government is \$18 for the first child and \$12 for each child thereafter. No allowance is made for the parent. Last year the Senate passed an amendment raising the maximum to \$18 per child but this provision was not included in the final bill. The Board is still of the opinion that the existing maximum limitations of the Federal law must be liberalized if we are to enable dependent children to obtain adequate assistance to ensure a proper start in life.

In many States and counties aid to dependent children has lagged behind since a large part of available State and local funds have been put into the aged program. As a result there exist wide variations in the adequacy of aid to children. In Ohio, for instance, there is considerable variation in the amount of the assistance payments in the aid to dependent children program in the various counties, largely because of the limited county funds available for this type of aid. Moreover, the State funds distributed to the counties for aid to dependent children are allocated on the basis of the ratio of children under 16 in each county to the total number of children under 16 in the States, irrespective of the number of needy children in any county.

As a result of this situation, in some counties there were more State funds available than were needed for the aid to dependent children program. In other counties the funds were so inadequate that the assistance payments met only part of the need of recipients, and in addition many families had to remain on waiting lists. In December 1937, the Ohio State Department of Public Welfare made a study of the amounts paid in various counties. For a group of 15 counties studied, the assistance payments varied from 43 percent to 100 percent of the amounts of aid which should have been paid in accordance with



the standards of adequacy which the State had established. In 4 of these 15 counties the assistance payments were 50 percent or less of the amount necessary under the State standards, and in only 7 counties did these payments meet over 80 percent of the amount required by these standards.

The average monthly aid to dependent children payments in the various Ohio counties in December 1939 ranged from \$63.39 per family in the highest county to \$13.04 per family in the lowest.

In Indiana the average monthly aid to dependent children payment varied from \$11.48 per family in one county to \$34.56 in another. In Wisconsin the variation was from \$22.55 to \$54.13.

In this connection the Social Security Board has recommended that a system of variable grants such as has been mentioned previously should be inaugurated for aid to dependent children as well as other types of public assistance.

Half of the farm families of the Nation live in the 15 Southern States. In 11 of the Southeastern States there are more than 13 percent of all the children of the Nation living in farm families which receive less than 2½ percent of the national income. One-third of all farm families live in the 8 States with the lowest per capita incomes which combined have a total of only 8 percent of the national income. These facts warrant the need for more Federal financial assistance in the poorer States. The adoption of such a program would extend more aid to needy children in the rural areas.

The White House Conference on Children in a Democracy recently made the following recommendations with respect to aid to dependent children:

Aid to dependent children should be further developed with the objective of enabling each eligible family to provide adequate care for its children. Rigid limitations on the amounts of grants to individual children or families should be removed from State and Federal laws. Necessary appropriations should be made by State and local governments and by the Federal Government. Federal aid should be equitably adjusted to the economic capacities and the needs of the several States.<sup>13</sup>

These proposals have the endorsement of the Social Security Board.

<sup>13</sup> *Children in a Democracy: General Report Adopted by the White House Conference . . .* Washington, Jan. 10, 1940, p. 23.

## Rural Health Services and Health Needs

Studies of the Technical Committee on Medical Care, a subcommittee of the Interdepartmental Committee to Coordinate Health and Welfare Activities, of which I am a member, made public through the National Health Conference in 1938, indicate a general inadequacy of our health services.

Equally significant were the findings that this inadequacy was particularly acute in rural areas, regardless of the criterion used in appraising the adequacy of medical services in rural communities. For instance, available information indicated that in the population at large there was 1 licensed physician per 807 persons. The ratio in communities with a population of 1,000 or less was only 1 physician per 1,600 population, and the national average of 1 per 807 population was attained only in communities with 10,000 or more population. In certain rural areas a ratio of 1 physician to 3,000 population was not unusual. The shortages are even more acute in specialized medical services than the ratios given here would indicate.

With respect to the availability of public-health nursing services, there were some 1,000 counties without such services. In some rural areas 1 public-health nurse was serving a population of 25,000 or more, while in urban areas the average was 1 nurse per 5,000 population; approved standards for effective public-health nursing require 1 nurse per 2,000 population.

In 1937, when these studies were made, only one-third of the rural areas in the United States had made a beginning in establishing child-health centers or clinics where children from rural families could receive the health supervision, diagnosis, and treatment essential in any sound program for child-health improvement.

In the country as a whole, approximately 17 million people lived in 1,338 counties in which there was no registered general hospital; these counties were predominantly rural in character.

In a study by the United States Public Health Service of 1,340 nonmetropolitan counties scattered throughout the United States which were 50 miles or more from any city regarded as a hospital center—i. e., having 250 or more general hospital beds—it was found that 733 or 55 percent of these counties were without a general hospital;



of the 45 percent with hospitals, more than one-third had only proprietary hospitals. The presence of a hospital does not tell the entire story, since the effectiveness of a hospital depends on its size, accessibility, equipment, organization, and type of ownership—i. e., governmental, private nonprofit, and proprietary.

In terms of actual facilities available in these 1,340 predominantly rural counties, the number of general hospital beds per thousand population was only 1.6, while in 25 metropolitan centers the number of beds per thousand population was 5.2. Moreover, while in the United States as a whole the average occupancy of general hospital beds was 70 percent, in these predominantly rural counties the average occupancy was only 53 percent. The lower rate of occupancy did not mean there was less need but less adequate facilities, less accessibility, and particularly the lack of means with which to purchase available services. Another element affecting the use of hospital facilities in rural areas was the fact that the proportion of proprietary hospitals was much larger in rural than in urban areas; 27 percent of the hospital beds in these 1,340 counties, for example, were in proprietary hospitals and only 18 percent in local governmental general hospitals. All available information indicates that in communities which had both a governmental and a proprietary hospital the former would generally be overcrowded, while the latter would have 50 or 60-percent occupancy.

As a result of these elements, while in certain large cities the amount of hospitalization for the population at large was 1.34 days per person per year, in these predominantly rural counties it was .32 days per person and in certain areas only .17 per person.

Despite the fact that between 1935 and the end of 1937, under the stimulus of the Social Security Act, the number of counties with full-time health officers more than doubled, the proportion of the total rural population having access to this type of service, as of December 31, 1937, was less than 50 percent. This and other inadequacies cannot be interpreted as an indication of a lack of need for health services on the part of rural communities. For instance, in 1936 only 14 percent of the births in rural areas occurred in hospitals, as contrasted with 71 percent of the births in cities. This contrast is no doubt con-

nected with the fact that since 1929 infant mortality in rural areas has been higher than in cities despite the opportunity for more normal and wholesome living in rural areas. In regions where careful studies of maternal mortality have been made, there is sometimes an indication of some excess of maternal mortality rates in rural as compared with urban regions.

Despite the congestion, slum conditions, and industrial hazards to which city dwellers are exposed, available data in this country indicate that the extent of disabling illness in large cities is no higher than in rural areas.

Mortality statistics not limited to infant and maternal mortality indicate that, despite the traditionally excessive death rates in cities, the decrease in death rates in the United States has been much more rapid in urban than in rural areas. As a result, the death rates in many urban areas, despite slums and industrial hazards, are now actually less than in rural areas. The much more rapid decrease in the urban death rates must be attributed largely to the comparatively better health services in urban regions.

These inadequacies can be remedied only through the coordinated efforts of the Federal, State, and local governments. The effectiveness of this method of attack is already demonstrated by the progress made in the establishment of full-time county health departments. That the improvement of medical service in rural areas is of national concern can hardly be overstressed, particularly when it is remembered that a large proportion of our population is born and reared in these areas and it is here where intensive health work would give us the greatest return.

In view of these inadequacies in the health facilities of the Nation, and especially of rural regions, the Interdepartmental Committee to Coordinate Health and Welfare Activities made a series of recommendations which were incorporated in the national health bill introduced by Senator Wagner in 1939 (S. 1620). Most other health legislation now pending in Congress excludes agricultural workers. This is not true, however, of the national hospital bill of 1940 (S. 3230) introduced by Senators Wagner and George and recently passed by the Senate. The passage of this bill, providing limited funds for the construction of hospitals and temporary grants toward their operation in the



first 5 years after construction, will, I hope, occur during the present session of Congress. Such action would be a concrete first step in mitigating these glaring deficiencies of health service, particularly in rural areas where the deficiencies are most acute.

### **Migratory Agricultural Workers**

Migratory agricultural workers and their families in many cases fail to secure the full benefits of the Social Security Act either because they do not stay in one place long enough to meet the residence requirements under certain programs, or, what is more important, because they are engaged in employment which is specifically excluded from

coverage. Consequently, the migratory worker and his family are not eligible for public assistance through the needy aged, blind, or dependent children, or through State unemployment insurance, or Federal old-age and survivors insurance. Moreover, in most cases such migrants cannot obtain other social services such as general relief, medical care, education, or adequate housing. I believe that Federal legislation on this subject is vitally necessary. The Interdepartmental Committee on Health and Welfare Activities, of which I am a member, has a special subcommittee which has been studying the many aspects dealing with migratory labor. It is hoped that the report to be submitted soon on this subject will be useful in helping to formulate a policy on this question



# LABOR SUPPLY AND THE DEFENSE PROGRAM

EWAN CLAGUE\*

THE INITIATION OF THE national defense program will result in an immediate and extensive expansion of industrial activity. This expansion will be reflected throughout our entire industrial system in the increased demand for raw materials, semi-manufactured products, and consumer goods; in some fields of production, schedules now call for a rate of output far greater than ever before achieved in this country. Such a general industrial expansion, together with special emergency requirements, should result in a much larger demand for workers than has been experienced since the depression began in 1929.

If we are to avoid unnecessary dislocation of industry while production is being redirected to meet defense needs in the order of their urgency, attention will have to be given to the problem of reemploying our vast reserve labor supply. Such a policy will result in some geographical shifting of workers and in training the unemployed persons who are not completely fitted to meet immediate demand for certain skills. As the program advances, it is not impossible that some system of priorities may have to be developed for transferring workers already employed in less essential industries. In all phases of the anticipated developments the public employment service may be expected to play an important role, just as it was called upon to do in 1917, and again in 1933, when unemployment had become a problem of national concern.

This Federal-State employment service, established under the Wagner-Peyser Act in 1933, now consists of a network of nearly 1,500 full-time offices located throughout the country, in addition to more than 3,000 part-time offices and contact points. Of the variously estimated millions of unemployed workers in this country, available figures indicate that possibly one-half are readily available for employment through local public employment offices.

In order to place qualified workers in available jobs, the local employment offices maintain the individual work histories of persons actively seeking work as well as of those who have previously

sought work through the facilities of the employment service. In these records each individual is classified according to the occupation for which he is best qualified, in the judgment of a skilled interviewer who has discussed and reviewed with the applicant his training and work experience.

The facilities of the public employment offices are available as a public service to all employers and workers. While a great deal of the early efforts of the service were directed to the emergency needs of the years 1933-36, operations since that time have been aimed toward fuller utilization of the facilities. Not only have more employers relied upon the public employment offices to fill their labor needs, but many workers who had previously never used the placement service in finding jobs are now registering for work immediately upon separation from employment.

Initiation of the unemployment insurance program in 1938 gave impetus to this trend, since registration for work at the public employment offices is required of all claimants in establishing their eligibility for benefits. As a consequence, workers, such as professional and other "white-collar" help and skilled workmen, who almost traditionally sought employment through their own efforts or merely awaited recall by their former employers, automatically register for work in claiming their unemployment benefits. This development is shown by the fact that in 1938, when only 28 States paid benefits for a half year or more, approximately 8 million registrations were received from workers who had never before made application for work through the public employment offices. It is also conservatively estimated that during the past 2½ years applications for work have been received from more than 20 million persons, and during that time the number of registrants available for work in any one month has ranged from 5 to more than 8 million.

## *Occupations of Job Seekers in 43 States*

In April of this year an inventory was made of the characteristics of the 5.1 million applicants who were shown by their records to be actively

\*Director, Bureau of Employment Security.



seeking work at local employment offices. This inventory revealed that there were applicants available for work in more than 7,000 different occupations. When the tabulation of this information is completed, it will be possible to tell how many applicants were registered in each occupation, each State, and each important industrial area in the country. Such information is particularly important in the type of planning required by the defense program, since it indicates the location of workers available for occupations demanding important skills and technical training, and shows also their color, sex, age, and the industry in which they are customarily employed. Preliminary information is now available on the detailed returns from 43 States,<sup>1</sup> which operate 1,200 of the 1,500 employment offices in the country and account for more than 4.1 million of the 5.1 million persons registered for work (table 1).

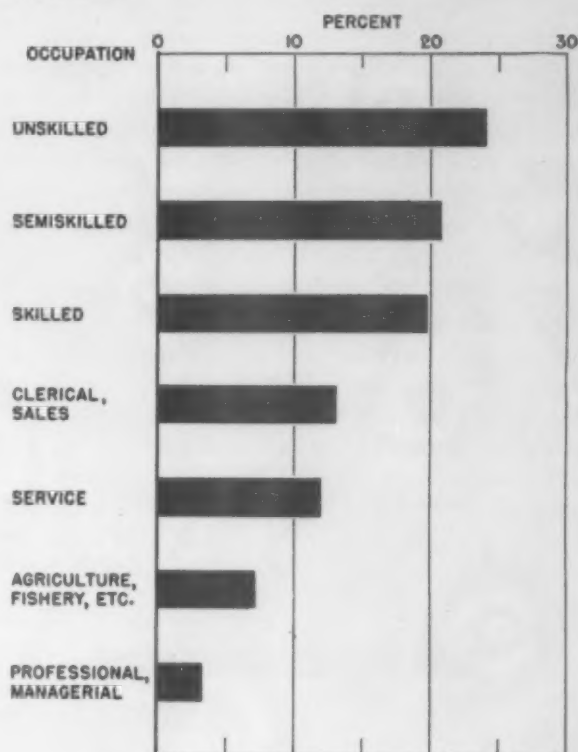
Table 1.—All job seekers registered at public employment offices in 43 States and number and percent aged 45 years and over, by occupation, April 1940

Occupation	Total	Registrants 45 years of age and over	
		Number	Percent of total
Total.....	4,105,162	1,112,612	27.1
Professional.....	62,528	16,797	26.9
Semiprofessional.....	30,224	5,301	17.5
Skilled.....	815,466	334,964	41.2
In manufacturing and related activities.....	327,267	123,838	37.8
In nonmanufacturing activities.....	332,901	159,441	47.9
Foremen.....	26,018	14,626	56.2
All other.....	126,280	37,049	29.3
Semiskilled.....	850,354	192,667	22.7
In manufacturing and related activities.....	396,505	106,086	26.8
In nonmanufacturing activities.....	360,092	63,631	17.7
Apprentices.....	1,601	648	36.5
All other.....	92,236	22,422	24.3
All other occupations.....	2,349,590	562,873	24.0

Approximately 1.7 million workers, or 41 percent of the total registered in the group of 43 States, were qualified for skilled and semiskilled trades, and more than 1 million workers were available for unskilled work. The remainder, numbering 1.5 million, was comprised of professional, managerial, clerical, service, and agricultural workers. Workers with skills utilized in manufacturing activities aggregated nearly 725,000, the largest proportion of whom had worked

<sup>1</sup> Tabulations were not complete for Alabama, California, Colorado, Georgia, Kansas, North Carolina, Tennessee, and Wyoming.

Chart I.—Occupational distribution of job seekers available at public employment offices in 43 States, April 1940



in textile industries. Second in importance among the workers with manufacturing experience were those in the metal-working industries, in which the possibility of labor shortage has been causing some concern. The preliminary count revealed that nearly 200,000 workers, distributed among 22 occupations, were reported as being qualified for skilled and semiskilled jobs in this type of work. Included among the 200,000 were 50,000 machinists or workers with machine-shop experience, 5,900 tool and die makers, more than 27,000 molders and welders, and about 11,000 tinsmiths, coppersmiths, and sheet-metal workers. Another relatively important group of workers was represented by mechanics and repairmen, who numbered around 60,000. Although most of the latter registrants were qualified for work on motor vehicles, 1,100 airplane mechanics were included among them. Workers with skills utilized in various branches of the leather industry totaled 45,000.

Although the current interest in the available labor supply is largely concerned with workers

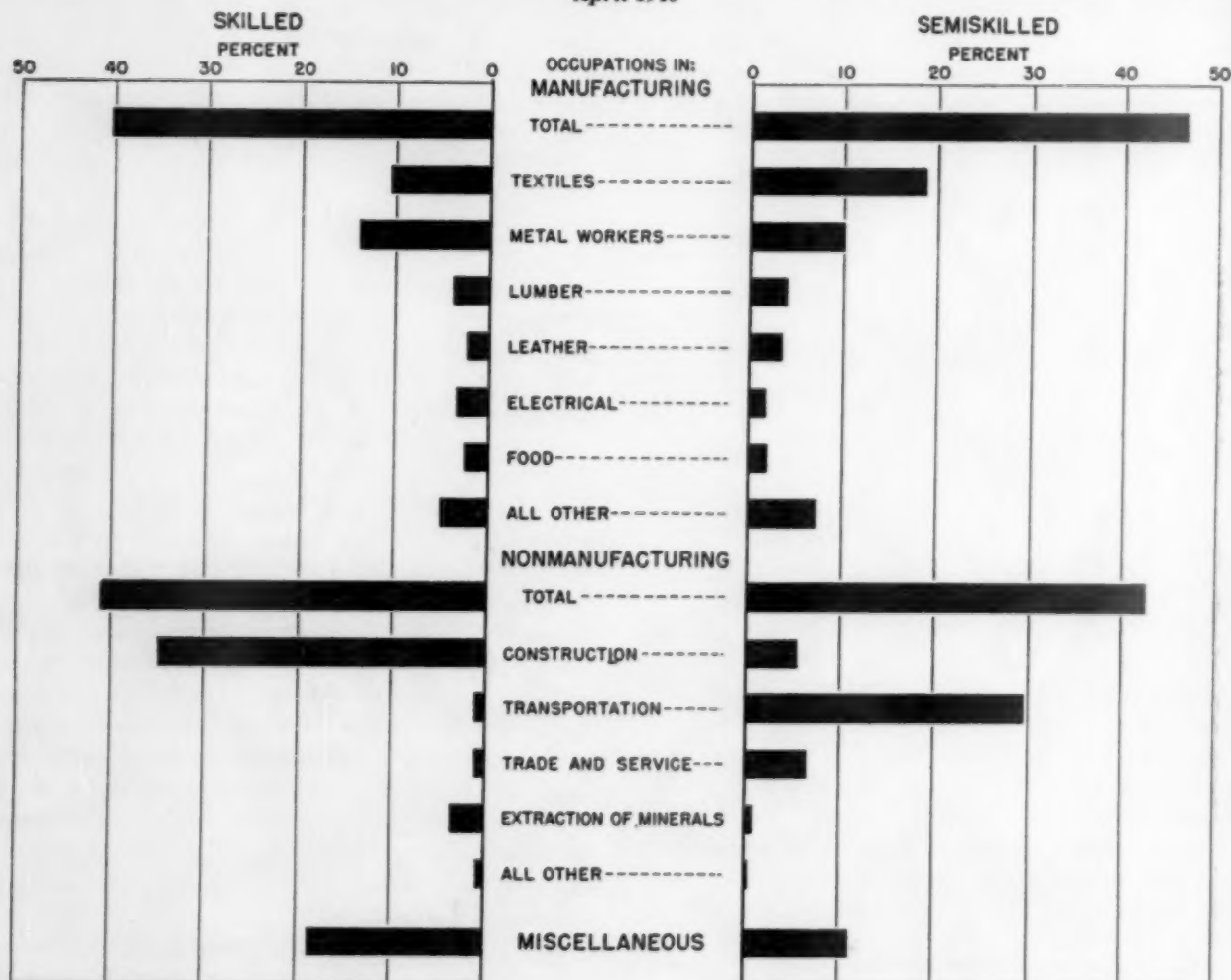


who have skills used in manufacturing, a large-scale increase in the demand for such workers will inevitably create a demand for skilled and semiskilled workers whose occupational experience has been in activities other than manufacturing. Skilled and semiskilled workers available for work in nonmanufacturing industries numbered 693,000, of whom somewhat more than half had skills used in construction. Another large group was represented by workers whose occupational experience had been acquired in branches of the transportation industry; there were approximately 260,000 such workers in the preliminary count for the 43 States. The remainder of the group of skilled and semiskilled workmen with experience in nonmanufacturing lines of business was comprised mainly of workers in trade, service, and mining.

### Workers 45 Years of Age and Over

The needs of the defense program have focused attention not only on the occupations of available workers but also on the age of such workers. During the past decade, when large numbers of workers with experience in many lines of industry and with diversified skills were available in the labor market, employers usually specified a preference for workers within certain age limits. Some relaxation of these preferences may be expected if there is a rapid absorption of reserve labor. In this connection, therefore, it is of interest to note that, of the 4.1 million workers included in the preliminary survey of the reports from the 43 States, more than 1.1 million or 27 percent of the total were 45 years of age and over.

**Chart II.—Skilled and semiskilled job seekers available at public employment offices in 43 States, by occupation, April 1940**





This age distribution for the entire group of registrants, however, tends to obscure marked variations in the age groups of different classes of workers. For example, among workers with experience in professional, skilled, and semiskilled occupations—the group on which immediate demands will be made as production schedules expand—more than 31 percent were 45 years of age or over, whereas only 24 percent of the unskilled workers were among that age group. About one-third of the workers whose occupations were related either to manufacturing or non-manufacturing industries were 45 years of age or over; for skilled workers, the proportion was 43 percent, and for the semiskilled groups it was 22 percent. In general, however, skilled workers in manufacturing industries were somewhat younger than those whose usual occupation was in industries other than manufacturing.

Among the skilled workers whose occupations were of a type that will be utilized either directly or indirectly in industries closely related to the defense program, more than one-third of the registrants in practically every class were 45 years of age or older. In some instances, such as in the case of molders, tool sharpeners, cabinetmakers, and construction workmen, these older workers comprised about half the registrants. They constituted more than 36 percent of the skilled registrants in metal-working occupations and about 42 percent of the skilled tool and die makers.

The bulk of the semiskilled job seekers were in the relatively younger age groups. In contrast to the pattern shown for skilled workers, however, semiskilled workers in the nonmanufacturing industries were generally younger than those in manufacturing. The largest single occupational group of semiskilled workers with experience in nonmanufacturing activities—transportation workers—showed only 14 percent of the registrants, chiefly drivers of motor vehicles, who were 45 years of age or over, whereas about 30 percent of the next largest group of semiskilled workers—those from the textile industry—were in this age group. About 25 percent of the semiskilled metal workers were older workers.

#### *Clearance and Other Administrative Problems*

The employment service is being geared rapidly to developments to ensure an orderly reemploy-

ment of the existing available labor supply and more effective shifting of workers already employed. The Bureau of Employment Security, the State agencies, and the local offices are reappraising their organization, procedures, and personnel resources in order to be adequately prepared to meet the demand that will be placed upon them. In this connection more attention is being given to the problem of clearing among other communities and States job openings that cannot be filled from local registers. Heretofore, the labor supply has been generally in excess of both local and national needs, and the local offices have tended to direct registration and placement activities primarily from the standpoint of local employment opportunities.

Basic to an adequate clearance system is as nearly complete a registration as possible of unemployed workers, so that the office will be in a position to serve needs beyond local opportunities for placements. It is also important that skilled workers who have been obliged to accept jobs requiring lesser skills shall be registered so that they may be referred to jobs that will best utilize their abilities. To this end, arrangements have already been made with some national unions to obtain the registration of all unemployed members in each community, even though the local employment offices may not always be utilized in placing union workers. As the active files in the local employment offices are expanded to include a greater proportion of all available workers, employers will have an added incentive to rely on local offices for obtaining needed workers. Already arrangements have been made whereby the Civil Service Commission will utilize the local employment offices throughout the country to obtain workers for employment in shipyards and arsenals and on construction and other projects; in connection with such placements, it is expected that full utilization will be made of the clearance system.

Plans for obtaining current information needed for recruiting workers through the local employment offices have been completed. Under circumstances prevailing during the past few years, the information derived from an inventory of the active file, such as was made in April, might be expected to reflect the general conditions prevailing in the labor markets of the various localities for a considerable period of time, and the informa-



tion should suffice for both administrative and analytical purposes. With the rapidly changing situation, however, as we shift from a condition of a surplus labor supply to one demanding full utilization of our labor resources, more current information is necessary.

Reports are being obtained which will furnish information on the availability and location of workers possessing the skills required by defense industries and will reveal evidences of actual or potential labor shortages as they appear. Reports on the number of registrants having experience or training in key occupations will not only make possible a current appraisal of special labor resources available at the local employment offices, but they will also furnish an indication of the rate of absorption of these workers. Such material will also indicate the need for training programs in occupations in which shortages may appear. Essentially, however, the information will show the number of workers available at public employment offices for jobs basic to defense industries.

Complementary to this report is one on job openings canceled because local offices have been unable to fill them either from their own list of

registrants or from those available in other local offices. The report will also indicate the reason for cancelation, so that it will be possible to determine the extent to which cancelation resulted from administrative factors or from lack of qualified workers in terms of employer specifications. Another report will show job openings which have remained unfilled for one week or more and the number of placements made through clearance. The job openings which are still pending will reflect situations in which jobs exist but the local offices are having difficulty in filling them, and the report on clearance placements will furnish some measure of the degree to which utilization of the clearance machinery results in locating qualified workers.

As industrial activity responds to the present program, lines of emphasis and direction may have to be modified. The employment security facilities are believed to be sufficiently broad and flexible to permit readjustment to most situations which are likely to arise. If these resources are effectively used, the more serious dislocations, such as have been encountered in previous emergencies, may be avoided.



# HEARING AND REVIEW OF CLAIMS AND WAGE-RECORD CASES UNDER OLD-AGE AND SURVIVORS INSURANCE

IRVING LADIMER \*

BETWEEN 600,000 and 900,000 claims may be filed in 1940, it is estimated, for benefits under the old-age and survivors insurance provisions of the amended Social Security Act.<sup>1</sup> Potential appeals from initial disallowances, or from awards in some instances, are inherent in all these cases with respect to (1) qualifying conditions, which involve questions of coverage, amount of wages, period of employment, identity, age, relationship, and dependency; and (2) factors which cause termination or suspension of benefits, such as death, divorce, marriage, failure to attend school, and, most important in this connection, reemployment. Moreover, determinations may be appealed on the grounds of errors in computation of benefits and interpretations of administrative requirements.

The amended act makes it mandatory upon the Board to maintain records of wages and, upon request, to advise individuals and their survivors of the amounts and the periods of employment credited to the wage accounts. More than 49 million applications for account numbers have been received by the Social Security Board, and wage items have been posted to almost as many individual employee accounts. By the end of May, 400,400 requests for statements of recorded wages had been received from insured workers; the number received each month has been diminishing but it may grow as interest in the insurance program and knowledge of its procedures widen. These accounts, as well as the wage items received by the Board which are not immediately identifiable and those erroneously submitted or recorded, are potential sources for appeals, although it is impossible to say what percentage will result in requests for hearings.

These wage records are declared to be evidence for the purpose of proceedings before the Board or before any court; after 4 years such records are deemed to be conclusive. Up to the fourth year,

the Board may correct such items on request of the worker or on its own account. In the latter instance, when the correction is adverse to the worker, the Board must inform him of the change. After the fourth year, the Board may revise records only to conform them to tax returns or statements filed under the Federal Insurance Contributions Act.

The initial adjudication of new claims filed under the amended act remains essentially the same as that under the 1935 act. Claims are developed by field personnel of the Bureau of Old-Age and Survivors Insurance, operating from more than 460 field offices. When applications and accompanying evidentiary documents are received in the central adjudicating office in Washington, the great majority of cases is found to be sufficiently supported and correctly prepared. Uncertain and incomplete cases are developed by the field offices. In the adjudication process, legal questions are submitted to the General Counsel's office for advisory opinions, and certain classes of difficult cases are referred to specialized units of the Claims Division. This division, in cooperation with the Accounting Operations Division, also handles questions as to the accuracy of wage records. When a protest to an original determination is filed by a claimant, the Claims Division may, at the claimant's request, reconsider the record, making every effort to adjust misunderstandings and to obtain and evaluate all evidence with regard to the disputed facts. It is believed that this type of reconsideration will continue to make satisfactory disposition of the greater proportion of all disputed claims. It will also be of assistance if hearings eventuate, in that it will have clarified the issues involved and will have indicated the evidence which the claimant will need to present.

## Statutory Provisions

The original Social Security Act contained no specific statutory requirement for setting up a mechanism for hearings on appealed cases, although there was nothing in the statute to preclude them. Complaints, misunderstandings, or

\*Bureau of Old-Age and Survivors Insurance, Analysis Division. Adapted from an article originally prepared as an editorial note for the *George Washington Law Review*.

<sup>1</sup> See "Probable Trends of Claims for Old-Age and Survivors Insurance During 1940," *Social Security Bulletin*, Vol. 3, No. 3 (March 1940), pp. 75-78.



appeals were investigated by the administrative unit responsible for the original determination.

The Social Security Act Amendments of 1939 give the Board "full power and authority to make rules and regulations and to establish procedures . . . necessary or appropriate to carry out" the provisions of the old-age and survivors insurance program. Specifically the Board is required to make findings of fact and decisions as to the rights of any individual applying for a benefit payment and also, upon request, to grant opportunity for hearing to workers and to certain relatives upon written showing that possible adverse effect on future rights may result from the first determination. The Board is also authorized to hold hearings on its own motion and may, on the basis of evidence adduced at the hearing, revise its first action. For any investigation or proceedings the Board is empowered to administer oaths and issue subpoenas. Persons called to testify may not be prosecuted because of any matter about which they are compelled to testify, provided they claim their privilege against self-incrimination. In accepting evidence, the Board is not bound by the rules of evidence applied in court procedure.

Decisions of the Board are reviewable by civil action in any United States district court. The review is on the basis of the record and the findings of the Board as to any fact are declared to be conclusive, if supported by substantial evidence. Although the court may affirm, modify, or reverse the decision, with or without remand to the Board, it would appear that reversals would in general be limited to findings of insubstantial evidence, misapplication of law, or unfair or inadequate administrative procedures. On motion of the Board before it files answer, the court shall remand the case to the Board for further action. The Board is authorized at such a time to change its findings. Court action may not be brought against a Board employee under section 24 of the Judicial Code of the United States to recover on a claim. The Board is also authorized to delegate to any of its employees any of the powers conferred on it in this section of the act.

Section 206, not present in the 1935 act, authorizes the representation of claimants by agents or other persons before the Board. This representation is not restricted to appeals. By the statute, persons other than attorneys, who can show that

they are of good character and competent to advise claimants, are to be accepted by the Board as agents; attorneys in good standing are entitled to represent claimants on showing their right to practice. So far, the Board has decided to require only a written appointment and acknowledgment of the representative as a condition precedent to his recognition. The law also authorizes the Board, after notice and hearing, to suspend any person or attorney from practicing before it, upon showing that he has violated any regulation governing such representation. Maximum fees and compensation of agents may be prescribed by the Board. Persons who knowingly mislead or threaten or who charge fees in excess of the maximum shall be deemed guilty of a misdemeanor and upon conviction are punishable by fine and imprisonment.

#### ***Basic Considerations Governing the Procedures Established***

In developing a hearing and review system without benefit of experience under the old act, the Board's first task was to develop an administrative framework within the limits of the mandatory provisions of the act and the social aims of the program. The system adopted must permit prompt action in the disposition of claims; it must be simple and easily understood by claimants; at the same time the demands of fairness and accuracy must not be sacrificed to simplicity, and the facts must be fully developed so that the detailed record will support any decision questioned in court.

Certain legal considerations other than the mandatory provisions also confronted the Board. The doctrine of administrative due process, voiced in court decisions,<sup>2</sup> was relevant at certain points, although most of the objections voiced had arisen in connection with the administration of acts which are regulatory in nature, not acts under which benefits are administered and which involve adjustments of small claims between the Government and individuals.

#### ***The Appeals System***

The appeals procedure adopted by the Board,<sup>3</sup> after the Bureau of Old-Age and Survivors Insurance and the General Counsel's office had spent

<sup>2</sup> Cf. in particular 298 U. S. 468, 304 U. S. 1, 307 U. S. 183, 304 U. S. 333, 154 U. S. 447, 211 U. S. 210, 253 U. S. 287, 285 U. S. 22, and 305 U. S. 197.

<sup>3</sup> *Basic Provisions Adopted by the Social Security Board for the Hearing and Review of Old-Age and Survivors Insurance Claims*, January 1940.



several months of study and research under the direction of a legal specialist, is designed to meet both the statutory requirements and the social purposes of the old-age and survivors insurance program.

An Appeals Council was established as a separate reviewing authority, outside the Bureau and operating directly under the Board. The Council, with headquarters in Washington, consists of three members; the chairman is administrative head but is on a par with each member in voting strength. Unanimous opinions are not required. The Council is assisted by a consulting referee, whose major function will be the review and coordination of referees' decisions. There are 12 referees, one for each of the Board's regional administrative areas. Hearings will be held in the field at places reasonably convenient to the claimant. Although the central office is in Washington, council members may occasionally travel to hear cases as referees.

In the selection of referees, the Basic Provisions stress the need for a thorough knowledge of the program and of administrative methods, as well as of the various aspects of the employer-employee relationship and adds that "legal training and experience will be very valuable if not indispensable." This observation has not compelled the selection of lawyers, however. All present referees are mature and have had prior experience, principally in the field offices of the Bureau, but only about half of them have had legal education or experience. All adjudicators who decide initially have some legal training or experience.

The philosophy of the appeals program is that it will function as a complement to the initial determination when this has not satisfied the claimant. It will not bear the relation of appellate court to court of primary jurisdiction and will not operate to review errors or decide certified questions. Rather, the proceeding is *de novo*. The decision of the Appeals Council will be the final administrative action, since there is no present provision for appeal from the Council's ruling to the Social Security Board. The chief value of such a system lies in the fact that the disputed case is considered from a new point of view and by a different technique—the oral hearing. The oral hearing results not only in an application of tests not otherwise available, but it introduces an element of obvious psychological

value in allowing the claimant to state his case and present further facts for the record. Moreover, review by officials not previously connected with the adjudication does away with any implication that the Bureau is a contesting party against the claimant and makes possible an independent check on the fairness of the administrative processes.

### *Filing the Request for Hearing*

When the claimant receives a statement of wages recorded to his account or notification that his initial claim for benefits has been allowed or disallowed, he is informed that he may take up any questions or objections with the Claims Division, or request a hearing. If he chooses the former course, his case is reconsidered by the division, with further development of evidence if necessary, and the reconsidered determination is sent to him. This procedure does not preclude his right to a hearing. The next step is for the local office to discuss the problem with the claimant and assist him in every possible way. The reasons for the Bureau's final action are explained to him, and he is assisted in filling out the request for a hearing, which must be in writing. The manager of the local office may suggest lines of appropriate evidence or witnesses for the hearing.

From this point, the referee is responsible for the case and schedules the hearing. On the basis of the objections stated by the claimant and material in the claim file, he makes available the previous record of the claim. At the request of the claimant or on his own volition the referee may issue subpoenas for necessary witnesses whose attendance the claimant cannot otherwise ensure. The act stipulates that such witnesses shall receive from the Board the same fees and mileage as are paid in the district courts of the United States.

### *The Hearing*

It is the Board's intention to have the hearings simple and informal. The act is explicit in stating that the Board is not to be bound by rules of evidence applicable to court procedure. The procedure developed will be largely within the referee's discretion, and his function will not be that of judge, or umpire, but more that of an examiner who leads the discussion, interrogates the parties and witnesses, and permits cross-



examination through himself. By this means he develops the facts necessary to reach a just decision and builds up a record on the disputed points which will be adequate to sustain the decision. Admissibility of evidence will rest with him, and he may also request additional investigation or allow continuances when he deems them proper.

Other agencies, such as the Veterans Administration and the Railroad Retirement Board, have placed similar powers in the guiding hearing officer.

Although it is expected that most appellants will desire oral hearings, appellants will be allowed to request record review of their cases in lieu of a hearing. Such a request would be appropriate in cases in which the disagreement does not involve the basic facts but rather the conclusions to be drawn from those facts. Realization that a new authority will be responsible for handling the case may be a factor in the claimant's decision to dispense with a hearing. The referee, however, may reject such a request if, in his opinion, an oral hearing is the best or only way to reach a proper solution. The record review will be handled by the same referee who would have conducted the oral hearing.

In addition to the claimant, parties to the hearing may include certain relatives whose rights may be prejudiced. It is interesting to note that, in contrast to developments under many State unemployment compensation laws, the employer is not considered a party, although the outcome of the case may reflect on his records and may conceivably indicate his liability for tax. Referees may make all persons who may be affected by the decision parties to the hearing.

### ***Referees' Decisions***

At the conclusion of each case, the referee will prepare a written opinion. This decision is expected to be based, ordinarily, on his own notes, although a stenographic record of the hearing will be made and will be transcribed if the case proceeds further. At the outset of the program, with certain exceptions, referees will have authority to issue opinions in their own name. If the referee is in doubt as to the correct decision or if his opinion is contrary to the determination of

the Claims Division, he will submit his findings and conclusions to the consulting referee in Washington, for review and recommendation in accordance with previous opinions and decisions. When the hearing referee disagrees with the consulting referee's judgment, the case will automatically be certified to the Appeals Council for decision. In that event, opportunity to be heard by the Appeals Council will be given the claimant.

In most of the appeals, the referee's decision will probably conclude the case. If the claimant disagrees with the decision, however, he may appeal further to the Appeals Council, which may review the case or, on the basis of the record, decline to do so. The decision of a referee which the Council has refused to review, or of the Council itself is final unless appealed to the court. The findings in a final decision of the Board are binding on all individuals who are parties.

During the development of procedures and while precedents are being established, informal review by the consulting referee of opinions which do not agree with the initial decision as well as of those which uphold it will effect coordination and consistency of decisions among the several referees. The Appeals Council may, on its own motion as well as upon request by claimants, review referees' decisions. It is uncertain as yet to what extent this practice will be utilized.

As has been stated, the Appeals Council is set up as an independent body, but it will have access to the services of the Bureau of Old-Age and Survivors Insurance, the research facilities of the Board, and the office of the General Counsel of the Federal Security Agency. Undoubtedly the latter offices will be called upon for advisory opinions and assistance in developing economic and social data when necessary for decisions. Recently, the Board decided that an individual does not have to exhaust his remedies by requesting a reconsideration by the Claims Division before he may be entitled to a hearing by a referee. The claimant may request a reconsideration or a hearing, and the award letter so indicates. When hearings are requested in cases in which new evidence not originally available has arisen, the referee may remand these cases to the Claims Division.



# SIX MONTHS OF STATE MERIT SYSTEM PROGRESS

ALBERT H. ARONSON\*

THE AMENDMENTS TO THE Social Security Act requiring the establishment and maintenance of personnel standards on a merit basis in State social security agencies became effective on January 1, 1940. During the following 6 months, it may be said, the State public assistance and employment security agencies took notable steps toward the establishment of sound career systems for their personnel. It is too early to speak of achievement, but the State administrators have laid the foundation for such achievement. The dual function of the Federal Government in setting forth standards and offering consultative services should not obscure the fact that the systems are State administered and that the progress is attributable to State action. Many of the State agencies were already operating under State civil-service laws or under administrative merit systems when the Social Security Act was amended to provide for merit standards. In some of these States the amendments directly stimulated the extension and improvement of the systems. Most of the State welfare departments, however, had not previously had merit rules and regulations for the selection of their personnel. The problems connected with programs administered at the county level, and in many cases through county welfare departments, complicated the adoption of merit standards; and the State and local boards and administrators had the task of developing, at the county as well as the State level, understanding of the new requirements under the Social Security Act and of the elements of sound merit-system administration.

After the enactment of the merit amendments in August 1939, the Social Security Board spent some time developing a statement of personnel standards under the act, consulting with various interested groups including State welfare and employment security administrators. This statement of standards, issued on November 1, 1939, embodies basic principles for the establishment of merit systems. The standards are rather general in language and leave many optional points for determination by the State agencies in their

rules and regulations. The Board statement does, however, outline the requisites of a merit plan, along traditional civil-service lines but adapted to the needs of the employment security and public assistance agencies. The standards provide that, in the States where there is not a State-wide civil-service system, the State agencies should adopt rules and regulations for the administration of the merit system. The general supervision of the system is to be placed under a merit-system council, an impartial body of citizens appointed by the participating agencies or by the Governor on recommendation of the agencies. This council is to develop public support and understanding of the merit system and to consider the general problems of interpretation and relations involved in assuring applicants and employees of the agencies full and fair treatment under the rules and regulations. Actual administration of the examining program in each State is to be the responsibility of a merit-system supervisor.

It was recommended, but not required, that a single State merit system serve both the employment security and the public assistance agencies. Most of the merit systems established during the 6 months' period have been established as joint systems for these departments, and in many cases the systems also include the health departments administering programs under the Social Security Act supervised by the Children's Bureau and the Public Health Service.

The Social Security Board recognized the impossibility of having merit systems in full operation by January 1, 1940. The Board, therefore, required by that date only the legal minimum which could be considered as compliance with the provisions of the Social Security Act as amended. The States were asked to adopt rules establishing the basic framework of the system in accordance with the standards or, if this were not feasible, to adopt the principles embodied in the standards and to indicate in a schedule when the rules were to be adopted and the subsequent steps to be taken to implement them. The schedules were to be worked out by each State in the light of local conditions.

The legal necessity for action by the States in compliance with the amendments so that the

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Board could certify grants after January 1940 left but a short period for negotiations after the issuance of the standards and did not permit the deliberate consideration which both Federal and State officials would have preferred. All the States accepted the standards under the act, and by July 1, 1940, the initial drafts of rules and regulations had been completed in practically all States; in most of them, rules in conformity with the standards had been approved and the actual installation of the merit system initiated.

As permitted under the standards, most of the States, in their regulations, elected to give two types of preferences to employees appointed prior to the adoption of the standards. These preferences are a waiver of the minimum qualifications of education and experience for admission to examinations, and a stipulation that such employees may be retained if they receive merely a passing mark on the examinations; they are not required to place at the top of the eligible list. A few States, however, elected to have open competition for incumbents on the theory that if the incumbents with the benefit of their experience could not prove themselves to be better than other applicants they were not entitled to retention as against such applicants. Two types of reactions toward the qualifying examinations developed. Some employees, including many who had been serving satisfactorily for a long period of time, objected to the necessity of demonstrating their qualifications in an examination. This objection was based partly on the fear that such examinations would not be practical and a fair test of their qualifications for the job. There was also some apprehension that even a practical, valid test might bring the employee into jeopardy during the period of probation if the State, as it might, elected to have incumbents serve a new probationary period. On the other hand, there was some evidence of protest against the qualifying examinations as favoring a particular group of "ins" and of advocacy of open competition to permit a larger proportion of persons not in that group to obtain positions by attaining places at the top of an eligible list.

Questions concerning the establishment of appeals procedures for employees on dismissal arose in a number of States. Most States elected to have an appeal to the merit-system council, with the council exercising recommendatory powers

only. In a number of States, the employee unions proposed that power be given the appellate body to reinstate employees after a hearing. In general, the employee unions criticized the Board's standards and the rules and regulations of the States as not containing sufficient assurance of merit administration on a strict basis.

In some instances, questions also arose concerning the certification of eligibles. The Board took the position that appointments should be made from certification of the three highest eligibles, although, in accordance with this rule, certification might be made on a county or district basis for positions in the local offices. The certification of three was based upon the prevailing merit-system practice.

Another problem which arose in a few States concerned recognition of the status of employees appointed under the merit system of the United States Employment Service. The Board ruled that, since that system was a comparable merit system, employees who had been appointed under its regulations should not be required to take a new examination for their positions.

The merit councils appointed in the various States seem of an almost uniformly high caliber. In most States distinguished civic leaders were selected, prominent in the community and successful in their own fields of work. In the appointment of merit-system supervisors, most of the States found a more difficult problem because of the lack of persons with experience in merit-system administration. The most usual recruiting field for merit-system supervisors was the State colleges and universities, where persons with academic backgrounds in tests and measurements and public administration might be found. In States where merit-system staffs to assist the supervisors are needed, they are being selected from existing registers or pending examination under merit rules.

During these 6 months many States made progress in the analysis of their positions and the development of classification plans. As a basis for other personnel actions these plans establish classes of positions which involve like duties and call for like qualifications. The minimum qualifications in such plans must be realistic and designed to admit to the examinations only applicants with a reasonable chance of passing. These qualifications are set by the State agencies in terms of local conditions and the supply of qualified appli-



cants. The development of classification and compensation plans which may be applicable to the county set-ups as well as to the State staffs calls for cooperation of officials at both levels of government.

The most important problems with respect to the administration of the merit system relate to the adequate planning, construction, and conduct of examinations. A merit system, being based upon the principle of competition and selection of the best, cannot succeed unless it meets these problems. One of the dangers is that the examination program will be rushed before adequate preparations are made. The anxiety of the present staff to be qualified and receive full merit status is one of the factors in the impetus toward undue haste with respect to examinations.

In constructing examinations, many States will be faced with difficulty in obtaining persons who have adequate training and practical experience with relation to the jobs in the agency as well as those with knowledge of test techniques. The incumbents of the jobs will not, of course, be able to participate in preparing examinations for themselves and their fellow workers; and often there will be few, if any, other persons in the State with a knowledge of the practical problems of State public assistance and employment security agencies. The Social Security Board has prepared certain sample examination materials which are made available to State merit-system agencies on condition that the materials are adequately reviewed and adapted in the State and that other measures are taken in the State to relate the examinations to the particular conditions and positions in the State and to make them in every sense State, rather than Federal, examinations. In rating training and experience and in conducting oral examinations, likewise, the necessity for consultants who know the field of work is apparent; and the supervisors of examinations have been advised to confer with appropriate professional groups to obtain qualified assistance.

To the extent of its resources, the Board has made available technical assistance in the development and installation of classification plans and the planning of the examination programs. The technical staff available for this service is relatively small in relation to the problem and the number of States asking for consultation, and assistance has often had to be deferred.

The American Public Welfare Association, the National Civil Service Reform League, and the Civil Service Assembly have been much interested in the development of the merit systems under the Social Security Act and have advised with State administrators and merit-system councils and supervisors on the problems with which they are confronted. The League of Women Voters and the Junior Chamber of Commerce, which have national programs supporting merit systems, have been instrumental in many States in obtaining public support and understanding, and other civic organizations have also been helpful.

One of the byproducts of the merit system is better understanding of and increased confidence in the administration of the public assistance and employment security programs. The establishment of a career system will further assist the operating agencies in the attainment of other objectives, not only by assuring selection on a merit basis and the retention of qualified personnel but also by releasing administrative heads from pressure of job seekers and by promoting sound public appreciation of the programs.

Among the administrative problems which will have to be faced after the initial installation of the merit system will be to develop an adequate service-rating system, to make effective the probational period for appointees, and to establish a sound system of promotions and orderly and fair procedures for handling reductions of force, dismissals, and appeals. While these matters have received some attention in the rules and regulations adopted, the administrative agencies have had to defer, in most instances, the development of actual practices and procedures because of the urgency of the installation of the classification and examination programs.

In days of national emergency, civil preparedness, as well as military preparedness, is essential. The State agencies, in developing functioning merit systems, are meeting the challenge of making effective the administration of a democracy. If the promise of 6 months of progress is borne out, these agencies will be looked to as leaders in developing efficient administrative machinery, adapted to the nonpartisan personnel management which is an integral part of effective governmental operation geared to the important needs of a critical time.



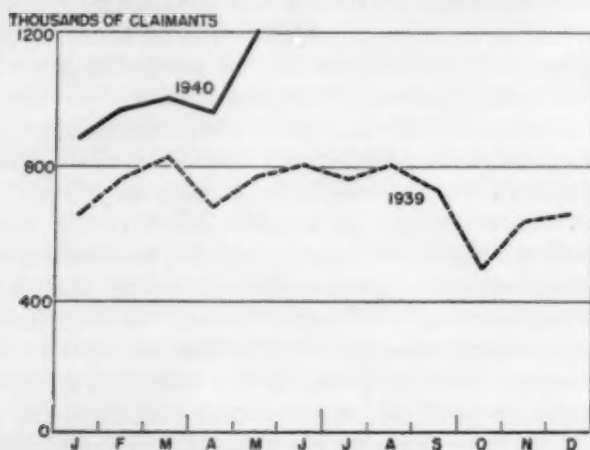
# EMPLOYMENT SECURITY

BUREAU OF EMPLOYMENT SECURITY • RESEARCH AND STATISTICS DIVISION

## Review of the Month

A larger amount of unemployment benefits was disbursed during May than in any other month in the history of the employment security program. A minimum of 1.4 million claimants received nearly \$54.9 million in compensation for 5.5 million weeks of unemployment. Most of the 30-percent increase over April in benefit payments was attributable to the expansion in compensable claim loads in States which initiated uniform benefit years in April, although seasonal curtailment of employment in certain industries contributed to the rise in benefit payments and to the record volume of 7.3 million claims received during the month. Placements completed by

Chart I.—Average number of claimants drawing benefits, by months, January 1939–May 1940<sup>1</sup>



<sup>1</sup> Benefits not payable in Illinois and Montana until July 1939.

public employment offices were nearly a fifth higher than in April, reflecting to a considerable extent a general seasonal pick-up in agricultural activity and construction. Jobs filled in private employment totaled 304,000, approaching the record number of 308,000 established in October 1939. In addition to these complete placements, public employment offices were instrumental in making nearly 84,000 supplemental placements, an increase of 86 percent over April. The active file of job seekers registered in public employment offices remained practically unchanged, with 5.7 million registrants available for work.

Reports from several States indicated that changes in claim loads were largely influenced by employment conditions in a few industries. Lay-offs in the textile and shoe industries in Maine were offset by increased employment in lumbering, construction, and in resort industries. Increased activity in lumbering and construction operations contributed to the reduced claim load in New Hampshire. In New Jersey the increased number of claims resulted partly from curtailed employment in the textile industry. Maryland reported reduced activity in the coal-mining, textile, wearing-apparel, steel, and oyster-packing industries. Lay-offs in textile mills and fertilizer plants occurred in South Carolina. In Alabama reduced activity in the textile, fertilizer, and cotton-seed oil industries was partially offset by expanding employment in lumbering, construction, coal mining, and steel operations. Mississippi reported lay-offs in textiles, wearing apparel, and lumbering, as well as a seasonal decline in the fertilizer industry. Missouri attributed part of its increased claim load to reduced working hours in shoe, iron and steel, and textile manufacture. The increased claim load in Georgia partly reflected lay-offs in the fertilizer, cotton-seed oil, and cotton-textile industries; wool-textile activity improved because of army orders for blankets and other items related to the national defense program. Illinois reported a slackening in the shoe and coal-mining industries and rehiring in construction and steel operations. In Iowa employment was reduced in the farm equipment, food manufacturing, and finished lumber products industries, but increased in other industries. Minnesota reported increased activity in mining, construction, logging, and water transportation.

## Insurance Activities

The 7.3 million continued claims filed by unemployed workers during May represented an increase of 10.2 percent over the previous high reached in April (table 1). The number of compensable claims, which formed more than three-fourths of all claims, increased 27 percent, while claims filed to meet waiting-period requirements of State laws declined 23 percent. For 22



Table 1.—Continued claims received, weeks compensated, and benefits paid, by States, May 1940  
[Data reported by State agencies, corrected to June 26, 1940]

Social Security Board region and State	Continued claims <sup>1</sup>			Weeks compensated					Benefits paid				
	Total number	Per- centage change from April	Compens- able	Number	Per- centage change from April	Type of unemployment			Amount <sup>2</sup>	Per- centage change from April	Type of unemployment		
						Total	Partial and part- total combined <sup>3</sup>	Partial only <sup>4</sup>			Total	Partial and part- total combined <sup>3</sup>	Partial only <sup>5</sup>
Total.....	7,290,721	[+10.2]	5,573,719	* 5,464,119	+31.1	4,968,049	477,912	-----	\$54,879,227	+29.8	\$51,585,310	\$3,089,543	-----
Region I:													
Connecticut.....	78,190	-6.6	61,835	62,643	+5.7	52,494	10,149	( <sup>6</sup> )	586,676	+6	520,975	64,060	( <sup>6</sup> )
Maine.....	93,494	-10.3	70,543	76,455	+45.0	70,003	6,452	( <sup>6</sup> )	470,545	+42.2	444,040	25,151	( <sup>6</sup> )
Massachusetts.....	475,769	+22.5	352,363	374,813	+66.9	374,813	( <sup>6</sup> )	( <sup>6</sup> )	3,744,430	+87.1	3,744,430	( <sup>6</sup> )	( <sup>6</sup> )
New Hampshire.....	62,427	-12.1	43,506	46,855	+14.3	37,908	8,947	( <sup>6</sup> )	373,025	+2.9	326,357	46,668	( <sup>6</sup> )
Rhode Island.....	187,338	+14.8	157,885	157,885	+50.6	126,903	20,982	( <sup>6</sup> )	1,511,186	+56.7	1,417,684	93,502	( <sup>6</sup> )
Vermont.....	13,798	-28.4	11,004	10,904	-26.6	9,331	1,573	1,359	90,079	-30.9	63,001	7,070	\$5,512
Region II:													
New York.....	1,484,831	+36.0	1,076,758	951,437	+126.7	951,437	( <sup>6</sup> )	( <sup>6</sup> )	10,878,142	+109.5	10,878,142	( <sup>6</sup> )	( <sup>6</sup> )
Region III:													
Delaware.....	10,960	-7.0	9,180	9,136	-4.8	7,648	1,488	1,310	78,844	-1.9	69,587	9,207	8,057
New Jersey.....	260,515	+2.1	190,741	189,677	+14.9	189,677	( <sup>6</sup> )	( <sup>6</sup> )	1,741,210	+13.8	1,741,210	( <sup>6</sup> )	( <sup>6</sup> )
Pennsylvania.....	617,025	-5.6	445,283	490,940	+17.8	490,940	( <sup>6</sup> )	( <sup>6</sup> )	5,311,123	+14.9	5,311,123	( <sup>6</sup> )	( <sup>6</sup> )
Region IV:													
District of Colum- bia.....	21,011	-15.7	16,895	17,289	-19.7	16,449	840	( <sup>6</sup> )	146,012	-21.3	140,470	5,542	( <sup>6</sup> )
Maryland.....	126,294	+7.3	104,074	97,749	+48.0	86,967	10,782	9,586	820,199	+47.6	752,828	67,214	59,339
North Carolina.....	137,503	+15.2	106,470	95,900	-8.0	88,576	7,324	6,523	439,733	+7.5	417,236	22,151	18,399
Virginia.....	131,560	+46.4	104,090	101,855	+172.4	94,734	7,121	6,813	731,832	+174.6	693,448	38,358	36,525
West Virginia.....	89,119	+18.2	66,381	58,107	+316.9	57,283	* 824	( <sup>6</sup> )	440,793	+270.8	433,073	7,720	( <sup>6</sup> )
Region V:													
Kentucky.....	58,497	+8.4	39,286	77,276	+45.8	60,961	16,315	( <sup>6</sup> )	544,404	+38.3	465,272	74,795	( <sup>6</sup> )
Michigan.....	216,384	( <sup>7</sup> )	175,587	164,038	+5.5	154,083	9,955	( <sup>6</sup> )	1,839,686	+7.0	1,787,025	52,661	( <sup>6</sup> )
Ohio.....	370,143	-2.5	275,429	* 280,893	-5.1	228,777	52,116	( <sup>6</sup> )	* 2,600,865	-7.6	2,342,835	258,030	( <sup>6</sup> )
Region VI:													
Illinois.....	587,325	+46.4	476,110	453,949	+98.0	347,150	106,799	72,684	5,384,759	+100.8	4,517,045	860,831	544,008
Indiana.....	133,272	+10.3	106,334	106,222	+27.3	82,598	23,624	( <sup>6</sup> )	1,052,517	+33.2	920,334	132,029	15,948
Wisconsin.....	55,549	-14.8	35,179	35,135	-12.6	30,588	4,577	2,892	244,546	-16.2	216,550	27,996	39,715
Region VII:													
Alabama.....	95,092	+10.1	73,507	72,098	+17.1	63,844	8,254	6,677	465,238	+16.4	416,117	48,789	( <sup>6</sup> )
Florida.....	71,706	+17.1	54,306	52,413	+8.8	45,107	7,306	( <sup>6</sup> )	475,032	+11.8	424,883	50,149	( <sup>6</sup> )
Georgia.....	96,164	+16.9	70,692	71,167	+25.7	66,220	4,947	4,010	438,995	+23.7	420,442	18,553	14,961
Mississippi.....	41,635	+4.0	32,067	31,290	+9.0	29,002	* 1,328	( <sup>6</sup> )	186,389	+6.2	180,217	* 5,949	( <sup>6</sup> )
South Carolina.....	47,532	+15.0	38,448	37,848	+23.9	31,860	5,988	2,982	238,916	+23.7	211,523	27,372	13,228
Tennessee.....	116,726	+9.9	95,257	75,417	-10.8	69,153	6,264	1,950	544,997	-11.2	517,179	27,818	7,698
Region VIII:													
Iowa.....	50,736	-16.6	37,052	36,943	-18.0	31,024	5,919	1,755	310,144	-22.3	281,054	28,482	4,970
Minnesota.....	107,966	-30.0	95,824	101,845	-23.3	93,896	8,249	( <sup>6</sup> )	984,330	-27.3	920,348	63,785	( <sup>6</sup> )
Nebraska.....	19,173	-23.0	16,774	16,542	-23.5	14,889	1,653	830	146,813	-25.2	135,728	11,085	4,828
North Dakota.....	8,458	-29.6	7,605	7,436	-13.8	6,852	584	6	67,865	-17.7	63,337	4,528	45
South Dakota.....	7,217	-13.4	6,101	5,905	+36.7	5,072	833	( <sup>6</sup> )	40,166	+31.0	35,090	4,869	( <sup>6</sup> )
Region IX:													
Arkansas.....	66,549	-5	55,365	55,365	+7.7	52,416	2,949	259	369,751	+12.8	357,519	12,233	1,000
Kansas.....	29,519	-9.9	19,801	19,791	-6.8	17,105	2,686	1,724	168,036	-8.5	151,281	16,755	10,052
Missouri.....	142,859	+24.2	87,925	83,483	+30.7	67,282	16,231	9,321	670,071	+25.4	586,485	83,586	46,564
Oklahoma.....	48,119	-4.7	38,131	36,920	-1.0	30,810	6,110	1,063	332,667	-2.6	296,286	36,381	4,483
Region X:													
Louisiana.....	108,812	+15.0	88,226	83,651	+31.7	79,005	4,646	( <sup>6</sup> )	615,936	+28.2	588,832	26,359	( <sup>6</sup> )
New Mexico.....	13,421	-7.6	11,579	11,638	-2.1	10,073	1,565	1,164	100,860	-1.3	89,447	11,413	8,168
Texas.....	180,279	+2.6	96,133	117,310	+4.8	100,967	16,353	( <sup>6</sup> )	856,294	+2.1	779,615	76,308	( <sup>6</sup> )
Region XI:													
Arizona.....	13,934	-2.1	10,416	10,163	-3.7	9,476	687	28	108,952	-4.6	103,559	5,393	190
Colorado.....	47,416	-7.7	41,182	43,886	-1.1	37,371	6,515	3,712	438,547	+3	388,174	49,701	27,210
Idaho.....	19,844	-26.8	16,644	17,393	-22.1	16,348	1,045	( <sup>6</sup> )	188,143	-25.4	179,682	8,423	( <sup>6</sup> )
Montana.....	30,195	-25.8	26,504	25,825	-26.9	25,825	( <sup>6</sup> )	( <sup>6</sup> )	289,244	-29.6	269,244	( <sup>6</sup> )	( <sup>6</sup> )
Utah.....	9,925	-23.8	8,819	8,973	-20.6	7,275	1,698	861	97,476	-18.5	85,689	11,787	5,600
Wyoming.....	11,164	-19.4	9,106	9,451	-8.6	7,133	2,318	1,695	111,119	-9.2	91,282	19,837	13,759
Region XII:													
California.....	538,596	+1.0	484,467	* 447,917	+1.7	375,363	54,505	( <sup>6</sup> )	6,087,145	+1.0	5,408,714	495,147	( <sup>6</sup> )
Nevada.....	9,176	-5.5	8,100	7,514	-13.3	6,910	604	13	96,763	-13.9	91,082	5,681	102
Oregon.....	42,471	-29.8	33,781	33,553	-20.9	27,385	6,168	4,590	388,508	-22.2	339,233	47,159	33,371
Washington.....	90,656	-11.9	76,733	75,360	-7.3	65,207	10,153	( <sup>6</sup> )	868,407	-10.2	783,625	84,782	( <sup>6</sup> )
Territories:													
Alaska.....	5,800	+26.4	3,903	* 3,605	+11.9	3,289	207	0	51,057	+16.7	48,623	1,770	0
Hawaii.....	4,977	-8.6	4,338	4,319	+2.7	2,040	2,279	2,253	30,760	-2	18,356	12,404	12,190

<sup>1</sup> Waiting-period claims are represented by difference between total number and number of compensable claims.

<sup>2</sup> Benefits for partial unemployment are not provided by State law in Montana, New Jersey, New York, and Pennsylvania. In Massachusetts and Mississippi, provision for such payments becomes effective October 1940. Of these States, only Mississippi provides for payments of less than full weekly benefit amount for total unemployment, i. e., part-total unemployment.

<sup>3</sup> Includes supplemental payments, not classified by type of unemployment.

<sup>4</sup> Includes some weeks not classified by type of unemployment; 109 in Alaska and 18,049 in California.

<sup>5</sup> Data for partial unemployment included with data for part-total unemployment.

<sup>6</sup> Payments for part-total and partial unemployment are made for benefit periods of one quarter. Number of weeks represented by each such payment is determined by dividing amount paid by claimant's benefit rate for total unemployment.

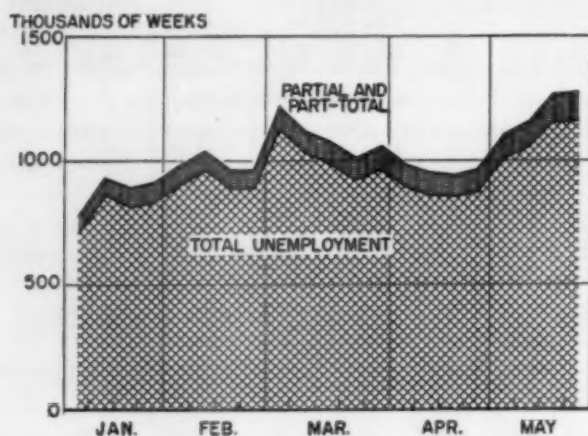
<sup>7</sup> Decrease of less than 0.1 percent.

<sup>8</sup> Excludes 100 payments amounting to \$2,614 arising from recalculation of weekly benefit amounts and 610 payments for 1,466 weeks amounting to \$15,521 for payment of miners' claims resulting from labor dispute in 1939.



States which reported higher volumes of total continued claims in May, increases of 20 percent or more were shown in Alaska, Illinois, Massachusetts, Missouri, New York, and Virginia. All these States except Alaska and Missouri initiated uniform benefit years in April. Declines in excess of 20 percent were reported by Idaho, Minnesota, Montana, Nebraska, North Dakota, Oregon, Utah, and Vermont.

**Chart II.—Number of weeks compensated, by type of unemployment, for weeks ended in January-May 1940**



Approximately 5.5 million weeks of unemployment were compensated during May, an increase of 31 percent over April. An increase in the number of weeks of unemployment compensated was reported by 29 States. As in previous months, about 90 percent of the compensated weeks were for total unemployment. The number of weeks compensated for total unemployment, however, increased 1.2 million weeks over the April volume. Approximately 478,000 weeks of partial and part-total unemployment, or 95,000 more than in April, were compensated during May. A relatively large proportion of weeks of unemployment compensated in Hawaii, Illinois, Indiana, Kentucky, and Wyoming were for partial and part-total unemployment; more than one-third of all weeks of partial and part-total unemployment for the country as a whole were compensated by California and Illinois.

Employment security agencies issued approximately \$54.9 million in benefit payments during May, \$6 million more than the previous high established in March 1939, when all but two

**Table 2.—Average number of claimants receiving benefits, number receiving first payments, and number exhausting benefit rights, by States, May 1940**

[Data reported by State agencies, corrected to June 26, 1940]

Social Security Board region and State	Average number of claimants receiving benefits <sup>1</sup>		Claimants receiving first payments		Number of claim- ants ex- hausting benefit rights
	Number	Percent- age change from April	Number	Percent- age change from April	
Total	1,201,004	+25.0	720,306	+18.9	202,606
Region I:					
Connecticut	13,991	+1.6	7,304	-8.2	4,502
Maine	18,218	+58.3	8,912	-60.9	27
Massachusetts	81,038	+60.7	61,999	+43.1	9,682
New Hampshire	10,564	+8.5	5,218	-31.1	2,224
Rhode Island	33,313	+36.7	13,881	-63.1	3,784
Vermont	2,686	-22.8	1,101	+5.6	623
Region II:	195,939	+101.5	203,087	+84.0	125
New York					
Region III:					
Delaware	2,045	-5.1	1,260	+1.1	799
New Jersey	41,089	+8.0	23,413	-3	16,433
Pennsylvania	112,418	+21.3	59,785	+18.7	43,409
Region IV:					
District of Columbia	4,123	-17.6	1,306	-28.7	476
Maryland	21,946	+42.3	10,462	-50.7	181
North Carolina	20,470	-4.7	12,093	+13.7	2,641
Virginia	20,506	+154.4	17,712	+19.0	0
West Virginia	12,216	+269.7	10,374	( <sup>2</sup> )	21
Region V:					
Kentucky	16,676	+39.4	6,897	+60.3	2,766
Michigan	37,160	+4.6	17,387	+30.5	7,738
Ohio	63,942	-2.8	22,202	-5.8	11,494
Region VI:					
Illinois	100,300	+99.4	80,544	+11.6	1,901
Indiana	23,892	+21.4	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Wisconsin	7,994	-15.4	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Region VII:					
Alabama	16,074	+16.3	6,352	+48.9	2,360
Florida	11,712	+5.6	4,382	-12.7	3,818
Georgia	14,932	+15.7	8,063	+14.6	5,734
Mississippi	7,064	+8.1	3,690	+40.3	2,262
South Carolina	8,112	+15.1	3,314	+6.4	1,520
Tennessee	15,003	-24.0	6,864	+10.1	3,367
Region VIII:					
Iowa	8,646	-14.4	4,016	-13.8	3,411
Minnesota	23,288	-24.0	7,102	-19.2	0,239
Nebraska	3,931	-20.6	1,044	-22.3	1,085
North Dakota	1,706	-14.9	744	+47.3	394
South Dakota	1,437	+62.6	658	-54.3	13
Region IX:					
Arkansas	12,628	+12.1	4,570	-31.1	2,012
Kansas	4,504	-0.3	2,801	+30.1	1,641
Missouri	18,568	+27.1	14,599	+39.8	8,691
Oklahoma	8,614	+3.9	4,062	-21.5	3,559
Region X:					
Louisiana	17,133	+17.1	10,096	+60.5	5,361
New Mexico	2,485	-10.0	952	+10.1	580
Texas	26,724	+4.5	13,034	+6.5	8,130
Region XI:					
Arizona	2,306	-6.2	1,053	-2.6	878
Colorado	9,850	-4.4	3,733	-1.4	1,981
Idaho	4,109	-22.5	1,416	-4.3	1,042
Montana	6,172	-25.6	1,329	-25.2	2,131
Utah	2,053	-22.9	809	-15.2	677
Wyoming	2,214	-7.3	1,154	+10.9	852
Region XII:					
California	102,699	-1.9	32,071	-8.4	15,049
Nevada	1,718	-15.8	512	-19.9	390
Oregon	7,528	-29.0	3,609	-10.8	2,990
Washington	17,506	-8.6	6,706	-14.0	3,814
Territories:					
Alaska	838	+5.3	671	+128.2	118
Hawaii	1,003	+11.0	313	-49.3	208

<sup>1</sup> Represents average number of weeks of unemployment compensated during weeks ended within month.

<sup>2</sup> Excludes Indiana and Wisconsin.

<sup>3</sup> Represents claimants exhausting benefit rights under uniform-duration provisions of State laws.

<sup>4</sup> Represents claimants exhausting maximum benefit rights, which are based on weeks of unemployment instead of wage credits in base period.

<sup>5</sup> Percentage increase of over 1,000 percent.

<sup>6</sup> Provisions of State law not comparable.



States were paying benefits, and 30 percent more than in April 1940. Of the 29 States reporting increased payments in May, 21 were located east of the Mississippi. All the States which initiated uniform benefit years in April reported large increases; payments more than doubled in Illinois, New York, Virginia, and West Virginia, and increases in excess of 30 percent were reported by Maine, Maryland, Massachusetts, Rhode Island, and South Dakota. Indiana and Kentucky also experienced gains of more than 30 percent. Of the 22 States reporting reduced benefits in May, declines of 20 percent or more were shown in the District of Columbia, Idaho, Iowa, Minnesota, Montana, Nebraska, Oregon, and Vermont. Disbursements in New York accounted for nearly one-fifth of the total benefits paid during the month.

Despite the cessation in July 1939 of benefits paid under this program to railroad workers, benefit disbursements increased 12.1 percent in the first 5 months of 1940 for the 49 States which paid benefits throughout both 1939 and 1940. Increased payments were shown for 32 States, including not only most States which inaugurated benefit-payment operations in January 1939 but also some States with longer payment experience. Legislative changes providing for more nearly adequate payments in 1940 accounted for part of the increase in some of the States.

Reflecting to a considerable extent the marked increase in compensable claims in States beginning uniform benefit years in April, the total weekly average number of claimants receiving benefits during May increased 25 percent to 1.2 million,

Table 3.—Collections deposited in State clearing accounts, January-May 1940, and funds available for benefits as of May 31, 1940, by States

[Data reported by State agencies, corrected to June 26, 1940]  
[Amounts in thousands]

Social Security Board region and State	Collections deposited <sup>1</sup>		Funds available for benefits as of May 31, 1940 <sup>2</sup>	Social Security Board region and State	Collections deposited <sup>1</sup>		Funds available for benefits as of May 31, 1940
	January-May 1940	Percentage change from January-May 1939 <sup>3</sup>			January-May 1940	Percentage change from January-May 1939	
Total.....	\$422,005	+3.0	\$1,739,650				
Region I:				Region VII—Continued.			
Connecticut.....	9,394	+13.7	34,246	South Carolina.....	\$2,270	( <sup>6</sup> )	\$10,430
Maine.....	2,038	+1.4	4,139	Tennessee.....	4,256	-4.0	14,701
Massachusetts.....	19,717	+6.5	79,729	Region VIII:			
New Hampshire.....	1,185	( <sup>6</sup> )	5,811	Iowa.....	3,849	-7.1	16,340
Rhode Island.....	4,170	( <sup>6</sup> )	9,699	Minnesota.....	6,418	-9.3	24,087
Vermont.....	854	( <sup>6</sup> )	2,744	Nebraska.....	1,540	-23.6	10,453
Region II:				North Dakota.....	345	-21.9	2,378
New York.....	63,743	( <sup>6</sup> )	207,410	South Dakota.....	541	-6.2	3,128
Region III:				Region IX:			
Delaware.....	1,233	+3.5	6,516	Arkansas.....	1,713	-1.3	7,504
New Jersey.....	23,978	+7.8	116,490	Kansas.....	2,299	-18.4	14,906
Pennsylvania.....	42,719	+9.7	117,716	Missouri.....	9,764	-1.5	86,091
Region IV:				Oklahoma.....	3,178	( <sup>6</sup> )	16,297
District of Columbia.....	3,103	+3.3	18,757	Region X:			
Maryland.....	6,345	+7.9	19,393	Louisiana.....	4,141	-2.1	18,612
North Carolina.....	4,781	+3.2	21,383	New Mexico.....	680	-5.8	2,905
Virginia.....	4,966	-3.1	19,878	Texas.....	9,172	-4.0	80,537
West Virginia.....	4,350	+5.3	16,269	Region XI:			
Region V:				Arizona.....	1,067	-4.1	3,108
Kentucky.....	5,330	-7.0	29,195	Colorado.....	2,392	-5.4	11,118
Michigan.....	24,940	+9.8	62,736	Idaho.....	931	-3.2	2,701
Ohio.....	29,757	+8.8	130,490	Montana.....	1,304	-4.7	6,244
Region VI:				Utah.....	1,329	-1.1	3,890
Illinois.....	35,762	+3.9	191,145	Wyoming.....	557	-19.9	2,803
Indiana.....	10,490	+5.1	40,377	Region XII:			
Wisconsin.....	4,570	-25.3	82,738	California.....	37,534	-1.6	158,619
Region VII:				Nevada.....	444	-5.0	1,559
Alabama.....	4,785	+13.4	14,729	Oregon.....	3,149	( <sup>6</sup> )	8,534
Florida.....	3,389	-1.3	14,605	Washington.....	5,254	( <sup>6</sup> )	22,231
Georgia.....	4,311	( <sup>6</sup> )	23,399	Territories:			
Mississippi.....	1,294	( <sup>6</sup> )	4,458	Alaska.....	176	+3.5	1,050
				Hawaii.....	801	( <sup>6</sup> )	5,682

<sup>1</sup> Represents contributions plus such penalties and interest collected from employers and contributions from employees as are available for benefit payments. Figures are adjusted for refunds of contributions and for dishonored contribution checks. Employer contributions of 2.7 percent of taxable wages are collected in all States except the District of Columbia and Michigan, where rate is 3 percent. In New York, rate is 3 percent for employers subject to State but not Federal law and 2.7 percent for those employers subject to both laws. Employee contributions of 1.5 percent of taxable wages are collected in Rhode Island; 1 percent in Alabama, California, Kentucky, and New Jersey; and 0.5 percent in Louisiana.

<sup>2</sup> Data for 2 periods are not adjusted for changes resulting from law, effective with pay rolls subsequent to June 30, 1939, providing that contributions from railroad industry be deposited in railroad unemployment insurance account of Railroad Retirement Board.

<sup>3</sup> Represents sum of balances at end of month in State clearing account, benefit-payment account, and unemployment trust fund account maintained in the U. S. Treasury.

<sup>4</sup> Based on 40 States reporting comparable data for both periods. See footnote 6.

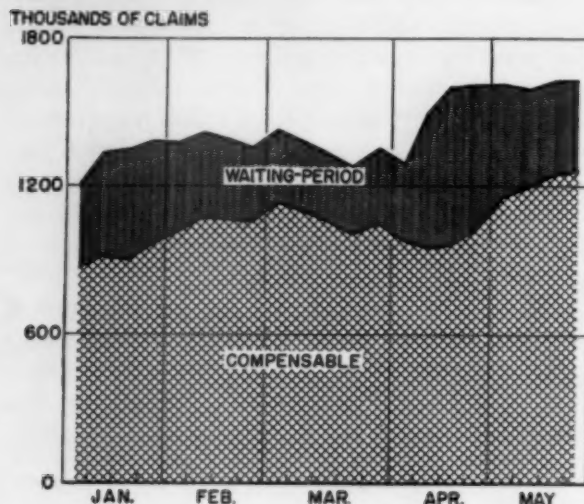
<sup>5</sup> See table 4, footnote 3.

<sup>6</sup> Not computed, since data for States that shifted either wholly or in part from a monthly to a quarterly contribution basis during 1939 or 1940 are not comparable.

<sup>7</sup> Adjusted for transfer to railroad unemployment insurance account: South Carolina, \$662,456; Vermont, \$327,074.



Chart III.—Number of waiting-period and compensable continued claims received, for weeks ended in January–May 1940



the highest volume this year (table 2). A larger number of recipients were reported by 28 States, with the principal expansions in States initiating uniform benefit years in April. Of the 23 States reporting reduced average numbers of claimants, the sharpest declines occurred in Idaho, Minnesota, Montana, Nebraska, Oregon, Tennessee, Utah, and Vermont. The 6 States with the largest weekly average number of claimants—California, Illinois, Massachusetts, New York, Ohio, and Pennsylvania—accounted for 55 percent of the total.

A further increase in the number of claimants receiving first payments occurred in May when more than 720,000 workers, exclusive of recipients in Indiana and Wisconsin, drew their initial benefit checks of the year. This number represented an increase of 19 percent from April and was also the highest for any one month on record. Increases were reported by 24 States; the most pronounced gains occurred in Alaska and West Virginia, where the number of new recipients more than doubled. Expansions in excess of 50 percent were also reported by Kentucky, Louisiana, and New York, and increases of 30 percent or more by 7 other States. Reductions in excess of 50 percent occurred in Maine, Maryland, Rhode Island, and South Dakota, where the bulk of first payments were issued during April to initiate uniform benefit years. Seven additional States reported declines of more than 20 percent.

Table 4.—Status of State accounts in the unemployment trust fund, by States, fiscal year 1939–40 through May 1

[In thousands]

Social Security Board region and State	Balance as of June 30, 1939	Fiscal year 1939–40 through May			
		Deposits	Interest received <sup>1</sup>	With- drawals	Balance as of May 31, 1940
Total.....	\$1,273,609	\$848,247	\$37,187	\$428,701	\$1,720,343
Region I:					
Connecticut.....	21,565	17,773	490	* 5,833	33,998
Maine.....	2,355	4,190	60	2,515	4,000
Massachusetts.....	60,443	38,950	1,285	21,200	79,478
New Hampshire.....	4,540	2,967	100	1,940	5,667
Rhode Island.....	7,538	8,586	171	7,445	8,850
Vermont.....	2,286	1,480	50	1,082	* 2,734
Region II:					
New York.....	140,850	133,114	3,154	71,750	205,377
Region III:					
Delaware.....	4,627	2,470	100	715	6,482
New Jersey.....	80,566	47,218	1,745	13,625	115,908
Pennsylvania.....	75,767	81,883	1,666	43,500	115,818
Region IV:					
District of Columbia.....	13,133	6,446	287	1,475	18,411
Maryland.....	10,775	13,194	272	8,075	19,100
North Carolina.....	13,641	10,374	311	3,325	21,001
Virginia.....	13,604	9,940	297	4,035	19,808
West Virginia.....	8,594	9,414	204	3,100	15,412
Region V:					
Kentucky.....	21,541	10,212	452	3,615	28,590
Michigan.....	43,775	47,256	865	30,000	61,898
Ohio.....	113,312	58,042	2,369	23,658	150,068
Region VI:					
Illinois.....	153,885	69,570	3,145	37,000	189,600
Indiana.....	27,165	20,865	608	8,450	40,188
Wisconsin.....	43,408	11,771	881	3,850	52,207
Region VII:					
Alabama.....	9,307	9,050	300	3,940	14,633
Florida.....	12,587	6,410	237	4,775	14,459
Georgia.....	17,667	7,800	357	3,300	22,424
Mississippi.....	3,257	2,560	72	1,512	4,377
South Carolina.....	8,982	3,800	176	2,613	* 10,345
Tennessee.....	10,636	8,490	231	4,904	14,453
Region VIII:					
Iowa.....	11,784	7,877	253	3,650	16,264
Minnesota.....	17,324	14,032	401	7,950	23,807
Nebraska.....	8,100	3,630	175	1,505	10,408
North Dakota.....	1,974	875	42	547	2,344
South Dakota.....	2,235	1,110	49	271	3,123
Region IX:					
Arkansas.....	5,796	3,370	125	2,045	7,246
Kansas.....	11,534	4,906	244	1,836	14,847
Missouri.....	41,507	19,175	852	5,975	55,599
Oklahoma.....	12,849	6,425	297	3,275	16,296
Region X:					
Louisiana.....	13,644	9,165	288	4,950	18,147
New Mexico.....	2,515	1,395	50	1,065	2,895
Texas.....	37,562	20,868	802	9,100	50,132
Region XI:					
Arizona.....	2,068	2,122	45	1,180	3,073
Colorado.....	9,437	4,862	192	3,410	11,081
Idaho.....	2,327	1,987	51	1,725	2,610
Montana.....	6,049	2,675	117	3,065	5,776
Utah.....	2,565	2,660	58	1,455	3,828
Wyoming.....	2,304	1,241	47	1,170	2,422
Region XII:					
California.....	124,064	76,513	2,638	46,750	156,465
Nevada.....	1,561	924	30	1,005	1,510
Oregon.....	6,478	5,633	139	3,950	8,300
Washington.....	19,047	10,530	394	7,800	22,171
Territories:					
Alaska.....	820	570	18	400	1,008
Hawaii.....	4,005	1,890	86	390	5,591

<sup>1</sup> Federal contributions from employers have been collectible in all States since Jan. 1, 1938. Employee contributions on wages earned are also required by Alabama, California, Kentucky, Louisiana, New Jersey, and Rhode Island.

<sup>2</sup> Interest is received at end of each quarter of fiscal year.

<sup>3</sup> Under provision of the Connecticut law, administrative grants equal to preliminary and "liquidating" amount to be transferred to railroad unemployment insurance account are to be withheld by the Social Security Board, and State is permitted to withdraw from unemployment compensation funds the amounts necessary for administrative purposes, up to amount so withheld. As of May 31, 1940, \$783,000 had been withheld.

<sup>4</sup> Adjusted for transfer to railroad unemployment insurance account: South Carolina, \$662,456; Vermont, \$327,074.

Source: U. S. Treasury Department, Office of the Commissioner of Accounts and Deposits.



The number of claimants exhausting benefit rights again declined, to 203,000 in May, the lowest volume this year. Declines were reported

**Table 5.—Number of weeks of unemployment compensated and amount of benefits paid on interstate claims<sup>1</sup> received as liable and as agent State, by States, May 1940**

[Data reported by State agencies, corrected to July 5, 1940]

Social Security Board region and State	Number of weeks of unemployment compensated on interstate claims received as—		Amount of benefits on interstate claims received as—	
	Liable State	Agent State	Liable State	Agent State
Total.....	194,227	194,227	\$2,193,647	\$2,193,647
<b>Region I:</b>				
Connecticut.....	3,396	2,866	37,534	32,097
Maine.....	2,044	1,690	14,637	17,189
Massachusetts.....	8,792	9,489	63,741	98,706
New Hampshire.....	4,085	1,852	38,035	17,939
Rhode Island.....	4,275	3,092	47,857	32,755
Vermont.....	974	738	9,572	7,613
<b>Region II:</b>				
New York.....	19,001	10,903	232,220	126,703
<b>Region III:</b>				
Delaware.....	1,216	651	13,200	6,561
New Jersey.....	4,402	6,532	45,690	78,001
Pennsylvania.....	8,331	9,568	97,179	106,960
<b>Region IV:</b>				
District of Columbia.....	1,469	1,682	15,058	17,493
Maryland.....	3,789	2,659	38,905	28,214
North Carolina.....	2,039	2,323	12,455	21,703
Virginia.....	3,690	3,137	33,665	29,514
West Virginia.....	1,650	2,992	13,309	32,055
<b>Region V:</b>				
Kentucky.....	2,204	3,972	18,155	42,845
Michigan.....	7,567	8,573	93,420	45,491
Ohio.....	6,393	8,952	70,493	70,064
<b>Region VI:</b>				
Illinois.....	13,597	7,748	186,814	91,407
Indiana.....	3,970	3,896	49,076	46,284
Wisconsin.....	582	3,068	7,219	37,393
<b>Region VII:</b>				
Alabama.....	2,922	3,427	24,083	31,818
Florida.....	3,806	6,172	41,219	68,332
Georgia.....	3,128	3,150	24,595	30,384
Mississippi.....	1,718	2,556	14,241	23,596
South Carolina.....	1,086	1,724	9,168	13,715
Tennessee.....	3,614	4,553	32,247	44,566
<b>Region VIII:</b>				
Iowa.....	1,816	2,678	18,617	33,027
Minnesota.....	2,939	2,893	30,929	34,126
Nebraska.....	1,771	1,693	17,492	20,425
North Dakota.....	668	839	6,796	9,641
South Dakota.....	550	800	4,497	8,938
<b>Region IX:</b>				
Arkansas.....	3,656	4,167	29,730	46,060
Kansas.....	2,061	3,072	20,690	34,635
Missouri.....	3,616	6,980	34,956	82,634
Oklahoma.....	3,097	8,765	31,460	66,515
<b>Region X:</b>				
Louisiana.....	3,463	3,180	33,761	31,099
New Mexico.....	2,352	1,298	23,807	14,920
Texas.....	5,518	7,357	52,216	85,562
<b>Region XI:</b>				
Arizona.....	2,061	2,256	23,533	27,873
Colorado.....	4,053	2,644	41,825	32,502
Idaho.....	2,488	2,029	29,565	25,930
Montana.....	2,917	1,313	31,175	16,019
Utah.....	630	1,631	7,534	21,919
Wyoming.....	1,730	724	23,259	8,059
<b>Region XII:</b>				
California.....	21,144	19,884	305,856	225,562
Nevada.....	2,305	1,254	30,644	17,245
Oregon.....	2,863	5,245	34,796	70,997
Washington.....	4,802	5,701	61,144	72,882
<b>Territories:</b>				
Alaska.....	956	278	14,540	3,314
Hawaii.....	122	294	1,419	4,121
Unallocated.....		\$ 14		\$ 184

<sup>1</sup> Includes claims for partial unemployment for a number of States although such payments are not provided in interstate benefit-payment plan.

<sup>2</sup> Represents 14 weeks amounting to \$184 for Washington as liable State for which break-down by agent State was not reported.

in 26 States. In Virginia, where no exhaustions occurred, and in West Virginia, where only 21 claimants exhausted benefit rights, all claim series were interrupted, and additional waiting periods were served at the beginning of the uniform benefit year in April. In New Hampshire, on the other hand, claimants exhausting benefits in the third month since the beginning of the uniform benefit year were 7 times as numerous as in April, and in Missouri they were more than double. For the country as a whole, the number of claimants receiving first payments exceeded those exhausting benefit rights by nearly 518,000. In only three States—Montana, Nebraska, and Utah—was the number of exhaustions greater than first payments.

### Status of Funds

Collections deposited in State clearing accounts totaled more than \$422 million for the first 5 months of 1940 and \$97 million for May (table 3). For the 40 States with comparable data, collections were 3 percent higher for January-May in 1940 than in 1939, with increases reported by only 16 States. On the other hand, 24 States reported declines, the majority of which were concentrated in the area west of the Mississippi. Most of the decreases were largely attributable to discontinuance of collection of contributions from railroads, which became effective July 1, 1939. Wisconsin continued to show a decrease in excess of 25 percent.

### Interstate Claims

More than 194,000 weeks of unemployment, an increase of 14.3 percent over April, were compensated through interstate claims during May (table 5). A total of \$2.2 million in benefit payments, 4 percent of all payments, was issued to compensate for these claims. In 24 States more interstate claims were compensated as liable State than were transmitted to other agencies. In Alaska more than 3 times as many weeks of unemployment were compensated as liable State than were received as agent State, and in Montana, New Hampshire, and Wyoming, more than twice as many. On the other hand, Wisconsin, as agent State, transmitted more than 5 times as many claims as it compensated, while Hawaii and Utah each paid benefits for fewer than half the claims



Table 6.—Placement activities of public employment services for all registrants, by States, May 1940

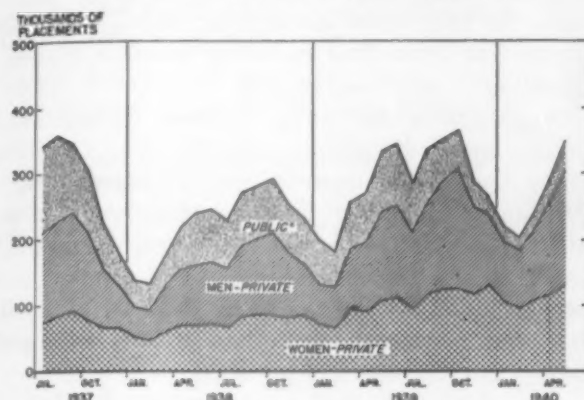
[Data reported by State agencies, corrected to June 24, 1940]

Social Security Board region and State	Complete placements							Supplemental placements	Applications received			
	Total	Private					Public		Number	Percentage change from April 1940	Active file as of May 31, 1940	
		Total	Percentage change from—		Regular (over 1 month)	January-May 1940						
			April 1940	May 1939		Total						Percentage change from January-May 1939
Total.....	349,531	304,066	+17.4	+25.4	135,485	1,160,989	+31.5	45,465	83,616	1,327,683	-12.4	5,724,093
Region I:												
Connecticut.....	6,023	4,669	+8.5	+18.5	2,597	19,065	+29.9	1,354	200	19,476	-13.7	84,206
Maine.....	1,927	1,639	+35.8	+10.4	1,181	6,251	+11.0	288	1	10,052	-20.9	47,087
Massachusetts.....	4,209	3,524	+22.4	+62.8	2,568	15,021	+53.4	685	87	40,410	+1.6	209,711
New Hampshire.....	2,592	1,979	+102.1	+15.5	1,247	6,854	-5.3	613	419	7,195	-19.7	24,613
Rhode Island.....	830	678	+23.9	-9.7	432	2,915	-11.2	152	66	7,719	+123.2	43,837
Vermont.....	1,200	1,030	+45.3	+30.4	495	3,512	+19.6	170	15	2,526	-31.7	18,064
Region II:												
New York.....	28,876	26,604	+25.7	+41.0	12,713	103,590	+56.1	2,272	879	187,920	-29.3	691,332
Region III:												
Delaware.....	1,504	1,381	+57.6	-8.0	547	4,401	+13.2	123	30	2,993	-6.9	12,416
New Jersey.....	10,654	10,148	+20.4	+3.0	5,565	42,830	+44.6	506	1,310	47,849	-23.2	265,922
Pennsylvania.....	16,950	11,712	+13.7	+47.8	7,166	48,152	+47.6	5,238	895	133,738	+1.7	356,204
Region IV:												
District of Columbia.....	5,069	4,427	+35.0	+8.8	1,862	16,173	+10.0	642	3	9,593	+3.8	34,508
Maryland.....	4,906	4,421	+39.3	+56.4	1,849	15,057	+43.3	485	32	21,338	-3.5	72,232
North Carolina.....	7,289	5,705	+16.0	+32.2	2,540	23,755	+14.5	1,584	996	25,186	-1.7	91,440
Virginia.....	6,757	5,590	+53.9	+25.4	3,050	18,246	+29.7	1,167	1,059	19,793	-18.7	57,469
West Virginia.....	3,028	2,618	+13.4	+14.7	1,113	10,824	+9	410	297	22,764	-14.0	86,673
Region V:												
Kentucky.....	4,415	3,876	+56.6	+84.5	1,050	11,246	+76.4	539	127	17,394	-4.6	90,407
Michigan.....	13,170	12,097	+24.6	+31.4	6,682	43,331	+42.0	1,073	132	48,526	-23.5	234,434
Ohio.....	18,696	17,554	+17.5	+39.4	7,503	63,885	+56.6	1,142	477	74,643	-11.4	310,436
Region VI:												
Illinois.....	15,357	15,192	+7.1	+24.4	6,817	62,539	+19.9	165	840	57,789	-6.8	202,458
Indiana.....	9,110	8,795	+10.3	+14.9	4,336	34,891	+16.1	315	2,978	38,990	-9.1	164,093
Wisconsin.....	7,715	7,053	+15.6	+7.4	3,559	25,795	+15.8	662	399	26,514	-11.8	116,419
Region VII:												
Alabama.....	8,429	7,733	+140.8	+75.0	2,946	19,611	+36.7	696	314	21,306	-5.4	125,413
Florida.....	2,664	2,295	-3	+168.2	1,216	12,210	+281.3	459	2,223	16,684	-7	63,287
Georgia.....	9,644	8,274	+13.9	+81.1	3,381	32,146	+99.8	1,370	156	36,449	+52.1	163,044
Mississippi.....	4,960	2,098	-6.5	+48.9	1,231	9,722	+121.1	2,762	451	17,235	-7.0	53,085
South Carolina.....	3,437	1,941	+2.8	+81.2	1,190	8,657	+77.4	1,496	101	9,816	+8	46,982
Tennessee.....	6,296	5,555	+35.0	+15.6	2,604	19,470	+24.2	731	4,369	14,719	+12.2	124,691
Region VIII:												
Iowa.....	7,602	6,174	+1.8	+8	2,187	23,989	+9	1,428	563	15,040	-13.5	87,118
Minnesota.....	7,164	6,556	+29.1	+21.0	3,601	20,920	+16.5	608	352	18,502	-13.5	152,657
Nebraska.....	3,180	1,726	-6	+7.3	815	6,875	+18.0	1,454	52	12,829	+24.2	48,596
North Dakota.....	2,315	2,019	-6.5	+24.9	819	7,109	+13.5	296	37	4,138	-14.1	29,356
South Dakota.....	1,761	1,166	+5.7	+14.1	476	4,245	-5.0	595	27	2,905	-13.1	28,362
Region IX:												
Arkansas.....	7,086	6,730	+18.6	+4.7	1,367	19,583	+27.3	356	6,299	10,683	+5.5	54,526
Kansas.....	4,575	4,006	+11.2	+73.1	1,244	14,564	+98.9	569	207	10,474	+3.5	60,815
Missouri.....	9,193	8,376	-5.5	+66.4	4,091	33,391	+79.3	817	823	47,403	-3.9	187,083
Oklahoma.....	6,546	5,535	-11.0	+1.4	1,141	21,030	+25.6	711	1,007	17,074	-19.1	87,512
Region X:												
Louisiana.....	3,403	2,981	-9.7	-38.5	1,800	16,437	-26.3	422	466	19,829	-10.4	84,662
New Mexico.....	1,229	934	-15.6	-25.3	530	4,228	+2.1	295	785	3,911	-31.2	37,661
Texas.....	30,651	28,487	+1.1	+13.9	7,598	127,615	+14.3	2,164	40,003	48,881	-3.7	253,238
Region XI:												
Arizona.....	3,055	2,673	+11.9	+53.8	895	12,730	+102.2	382	1,497	6,205	-7.1	25,826
Colorado.....	5,437	5,010	+61.3	+10.7	1,984	14,506	+28.4	438	488	14,378	-14.9	62,287
Idaho.....	4,253	3,505	+100.5	+36.8	942	8,832	+33.7	748	1,590	6,755	+1	13,967
Montana.....	2,821	1,814	+21.6	+108.7	1,315	8,061	+45.2	1,007	457	4,565	-24.6	27,722
Utah.....	1,801	1,584	+76.6	+95.8	331	4,284	+55.4	217	165	7,590	-5	20,168
Wyoming.....	1,395	744	+50.6	-8.6	451	2,023	+2.2	651	20	3,241	+9.2	8,583
Region XII:												
California.....	22,244	20,182	+12.7	-1	9,586	80,537	+6.2	2,062	1,688	87,009	-25.8	486,264
Nevada.....	1,229	1,074	-9	+11.8	542	4,541	+29.5	155	237	2,764	-6.9	5,709
Oregon.....	6,031	4,760	+21.5	+8.0	2,322	17,575	+40.2	1,271	7,613	15,532	-36.4	43,072
Washington.....	9,419	8,557	+27.0	+102.2	3,785	27,708	+126.7	862	650	20,610	-6	106,647
Territories:												
Alaska.....	763	289	+11.2	-4.9	102	848	+80.4	474	53	1,213	-6.4	2,543
Hawaii.....	761	377	-15.3	+77.0	121	2,209	+153.3	384	11	1,533	+10.8	9,971

1 Excludes Florida for January-February 1939 when private-placement activity was largely suspended.



Chart IV.—Placements of men and women by public employment offices, July 1937–May 1940



\*Over 97 percent of public placements are of men.

they transmitted to other States. As in previous months, California continued to handle, both as liable and as agent State, more interstate claims than any other State. Interstate claims accounted for one-fourth or more of all weeks of total unemployment compensated in Alaska and Nevada and for more than 10 percent of compensated weeks of total unemployment in Arizona, Colorado, Delaware, Idaho, Kansas, Montana, Nebraska, New Mexico, Oklahoma, Oregon, Vermont, and Wyoming.

### Placement Activities

Job placements made through public employment offices during May numbered approximately 350,000, an increase of 18.7 percent over April (table 6). More than 304,000 jobs were filled in private employment, an increase of 17.4 percent over April, and of 25.4 percent over May 1939. This volume of placements also approached the record high of 308,400 in October 1939. In addition, these offices were instrumental in effecting nearly 84,000 supplemental placements.

The increase in private placements in May was general, with gains in 41 States. Outstanding increases were reported by Alabama, Idaho, and New Hampshire, where placements more than doubled in May. The increases in Alabama and Idaho reflected chiefly a seasonal pick-up in agricultural activities; New Hampshire attributed the increase in jobs filled in private employment largely to greater activity in logging and construction operations. Other States reporting increases in excess of 50 percent were Colorado, Delaware, Kentucky, Utah, Virginia, and Wyoming. Of

the 10 States showing reduced placements, only Hawaii and New Mexico reported declines of more than 15 percent. Although there was an increase of 8 percent over April to more than 135,000 regular placements—jobs expected to last more than 1 month—the proportion of such placements to all

Table 7.—Agricultural placements, by States, May 1940

[Data reported by State agencies, corrected to June 13, 1940]

Social Security Board region and State	Total	Complete placements		Supplemental placements	
		Number	Percentage change from April 1940	Number	Percentage change from April 1940
Total <sup>1</sup> .....	102,455	37,131	+60.0	65,324	+119.0
Region I:					
Connecticut.....	182	182	-9.9	0	( <sup>2</sup> )
Maine.....	71	71	+39.2	0	( <sup>2</sup> )
Massachusetts.....	71	71	-17.4	0	( <sup>2</sup> )
New Hampshire.....	48	32	( <sup>2</sup> )	16	( <sup>2</sup> )
Rhode Island.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Vermont.....	53	48	-27.3	5	( <sup>2</sup> )
Region II:					
New York.....	715	715	-1.2	0	( <sup>2</sup> )
Region III:					
Delaware.....	31	31	( <sup>2</sup> )	0	( <sup>2</sup> )
New Jersey.....	305	305	+46.6	0	( <sup>2</sup> )
Pennsylvania.....	187	176	-5.9	11	( <sup>2</sup> )
Region IV:					
District of Columbia.....	4	4	( <sup>2</sup> )	0	( <sup>2</sup> )
Maryland.....	153	151	+91.1	2	( <sup>2</sup> )
North Carolina.....	1,439	473	+469.9	966	( <sup>2</sup> )
Virginia.....	1,718	728	( <sup>2</sup> )	990	( <sup>2</sup> )
West Virginia.....	20	19	( <sup>2</sup> )	1	( <sup>2</sup> )
Region V:					
Kentucky.....	1,101	1,098	( <sup>2</sup> )	3	( <sup>2</sup> )
Michigan.....	599	584	+3.2	5	( <sup>2</sup> )
Ohio.....	585	570	+44.8	6	( <sup>2</sup> )
Region VI:					
Illinois.....	471	458	-24.3	13	( <sup>2</sup> )
Indiana.....	200	200	+9.9	0	( <sup>2</sup> )
Wisconsin.....	481	469	-29.5	12	( <sup>2</sup> )
Region VII:					
Alabama.....	3,997	3,907	( <sup>2</sup> )	90	+55.2
Florida.....	2,349	252	+85.3	2,097	-41.8
Georgia.....	1,304	1,286	+119.8	18	( <sup>2</sup> )
Mississippi.....	241	124	-30.7	117	-67.3
South Carolina.....	296	223	+106.5	73	( <sup>2</sup> )
Tennessee.....	5,200	957	+434.6	4,243	( <sup>2</sup> )
Region VIII:					
Iowa.....	739	707	-27.3	32	( <sup>2</sup> )
Minnesota.....	1,099	1,010	-15.2	89	-11.0
Nebraska.....	133	132	-18.0	1	( <sup>2</sup> )
North Dakota.....	555	555	-35.4	0	( <sup>2</sup> )
South Dakota.....	140	129	-31.0	11	( <sup>2</sup> )
Region IX:					
Arkansas.....	10,562	4,535	+31.8	6,027	+535.1
Kansas.....	251	248	+7.4	3	( <sup>2</sup> )
Missouri.....	1,165	1,105	-16.5	1	( <sup>2</sup> )
Oklahoma.....	3,692	2,882	-16.7	810	+61.4
Region X:					
Louisiana.....	315	104	-14.0	211	+104.9
New Mexico.....	941	240	-21.3	701	+48.2
Texas.....	38,649	508	-8.5	38,141	+84.3
Region XI:					
Arizona.....	1,846	673	+192.6	1,173	-39.7
Colorado.....	2,215	1,866	+233.8	349	+336.3
Idaho.....	3,705	2,172	+383.7	1,533	( <sup>2</sup> )
Montana.....	800	644	+4.7	156	-4.9
Utah.....	823	781	+755.1	62	( <sup>2</sup> )
Wyoming.....	221	219	+16.5	2	( <sup>2</sup> )
Region XII:					
California.....	2,678	2,036	+135.9	642	+101.9
Nevada.....	211	141	+18.5	70	+37.3
Oregon.....	7,272	668	+28.0	6,604	( <sup>2</sup> )
Washington.....	2,631	2,568	+151.0	38	( <sup>2</sup> )
Territories:					
Alaska.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Hawaii.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )

<sup>1</sup> Excludes Alaska, Hawaii, and Rhode Island for May 1940.

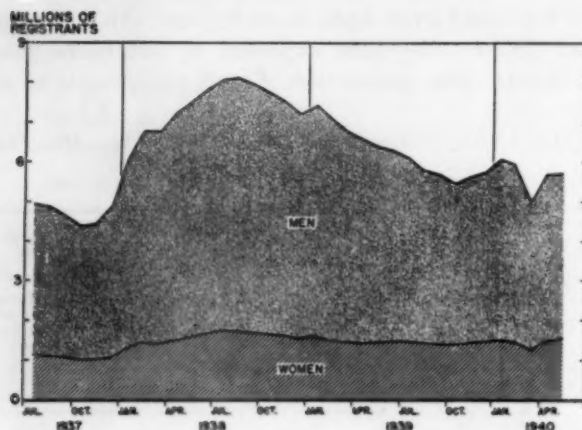
<sup>2</sup> Not computed where less than 50 placements were made in either period.

<sup>3</sup> Data not reported.

<sup>4</sup> Increase of over 1,000 percent.



**Chart V.—Active file of men and women registrants at public employment offices as of end of month, July 1937–May 1940**



private placements declined from 48 percent to 45 percent because of the increasing importance of temporary agricultural jobs usual at this time of year. The largest increases in private placements among the 44 States reporting gains over May 1939 were shown for Florida, Montana, and Washington, where the May 1940 volume of private placements more than doubled. Placements in public and governmental work totaled more than 45,000, an increase of 28 percent over April, but only approximately half the volume of May 1939 and 43 percent below the volume for May 1938.

Supplemental placements—those in which public employment offices are only partially responsible for completing the placement—increased 86 percent over April to 84,000, the highest volume since October 1939. Reflecting continuing expansion of agricultural activities throughout the country, approximately four-fifths of all such placements were in agriculture (table 7) in contrast to two-thirds in April. Nearly one-half of all supplemental placements for the country were reported in Texas. For the 48 States reporting in both months, total agricultural placements, including both complete and supplemental, amounted to more than 102,000, an increase of 93 percent over April. In Alabama, Arkansas, and Idaho, the majority of all private placements were in agriculture.

Private placements completed in the period January–May 1940 showed an increase of nearly a third over the first 5 months of 1939. Only

four States reported fewer placements than in January–May 1939. Excluding Florida, where data for 1939 were incomplete, increases of 100 percent or more were shown by Arizona, Hawaii, Mississippi, and Washington.

Applications for work received during May totaled nearly 1.3 million, a decline of 12.4 percent from April. The decrease was widespread, with 38 States reporting fewer applications. More than 5.7 million registrants were actively seeking work at the end of the month; this number was approximately the same as at the end of April, but was 10 percent fewer than in May 1939 and 24 percent less than in May 1938.

Reflecting to a great extent increased hiring in agriculture, the number of jobs filled by men during May far exceeded those filled by women (table 8). Approximately 217,000 men and 133,000 women were placed in jobs by public employment offices in May. Private placements of men increased 22 percent over April to 172,000; jobs in private employment filled by women totaled approximately 132,000, an increase of 12 percent over April. As in previous months, men were assigned to proportionately more jobs of a short-time nature than women. Only 40 percent of the jobs filled by men were expected to last more than a month, whereas more than 50 percent of the jobs in which women were placed were of this type. The relative increases in private placements over the first 5 months of 1939 were similar for both men and women. As in previous months, men were placed in the great bulk of public jobs; in May, 44,400 of 45,500 public jobs were filled by men. Applications for work received from men declined more sharply than those received from women; the former decreased 13.6 percent in contrast to a decline of only 9.5 percent for the latter. There was a slight decline in the number of men registered in the active file, whereas the number of women registrants increased 5.4 percent.

#### **Interstate Claims Compensated, January–March 1940**

Data on the number of weeks compensated on interstate compensable claims, according to liable and agent State, are shown for the first time (table 9). Widespread interest in the amount of benefits paid as well as in the number of weeks compensated on interstate claims led to the in-



clusion of these items in the 1940 statistical reporting program and the discontinuance of data on interstate initial and continued claims. The data collected through 1939 on initial and continued claims were significant primarily from an administrative standpoint since information was

not obtained on the number of initial claims found eligible for benefits or the number of continued claims that were payable.

More than 547,000 weeks of unemployment, practically all of which were weeks of total unemployment, were compensated during the first

Table 8.—Placement activities of public employment services for men and women, by States, May 1940

[Data reported by State agencies, corrected to June 27, 1940]

Social Security Board region and State	Men						Women					
	Complete placements				Applications received	Active file as of May 31, 1940	Complete placements				Applications received	Active file as of May 31, 1940
	Total	Private		Public			Total	Private		Public		
		Total	Regular (over 1 month)					Total	Regular (over 1 month)			
Total.....	216,572	172,175	68,907	44,397	898,655	4,165,365	132,959	131,891	66,578	1,068	429,028	1,558,718
Region I:												
Connecticut.....	4,103	2,757	1,528	1,346	10,893	55,699	1,920	1,912	1,069	8	8,583	28,507
Maine.....	1,224	980	663	274	6,405	34,579	703	680	518	14	3,647	12,458
Massachusetts.....	2,234	1,570	1,142	664	23,088	130,326	1,975	1,954	1,426	21	17,322	79,385
New Hampshire.....	2,118	1,518	942	600	4,719	16,162	474	461	305	13	2,476	8,461
Rhode Island.....	425	276	184	149	3,909	24,814	405	402	248	3	3,810	19,023
Vermont.....	738	568	286	170	1,712	13,047	462	462	209	0	814	5,017
Region II:												
New York.....	14,714	12,481	5,917	2,233	112,109	454,340	14,162	14,123	6,796	39	75,811	236,992
Region III:												
Delaware.....	743	620	283	123	1,941	8,441	761	761	264	0	1,052	3,975
New Jersey.....	4,622	4,044	2,465	478	28,207	172,565	6,132	6,104	3,100	28	19,642	93,357
Pennsylvania.....	10,076	4,908	3,140	8,168	98,132	269,020	6,874	6,804	4,026	70	35,586	87,184
Region IV:												
District of Columbia.....	2,767	2,142	846	625	5,804	21,936	2,302	2,285	1,016	17	3,789	12,573
Maryland.....	3,320	2,836	1,151	484	14,045	50,635	1,586	1,565	698	1	7,293	21,597
North Carolina.....	4,447	2,868	935	1,579	16,129	59,047	2,842	2,837	1,605	5	9,057	32,393
Virginia.....	4,361	3,198	1,914	1,163	13,357	37,766	2,366	2,362	1,136	4	6,436	19,703
West Virginia.....	1,625	1,218	447	407	18,558	74,082	1,403	1,400	666	3	4,206	12,611
Region V:												
Kentucky.....	3,019	2,481	420	538	13,425	79,826	1,396	1,395	630	1	3,069	19,581
Michigan.....	8,213	7,149	3,826	1,064	36,158	182,622	4,957	4,948	2,856	9	12,368	51,812
Ohio.....	10,287	9,175	3,680	1,112	51,926	232,498	8,409	8,379	3,823	30	22,717	77,998
Region VI:												
Illinois.....	8,049	7,903	3,058	146	39,328	144,738	7,308	7,289	3,759	19	18,461	57,717
Indiana.....	4,824	4,546	1,867	278	25,794	124,120	4,286	4,249	2,469	37	13,196	39,973
Wisconsin.....	4,124	3,547	1,708	577	17,908	90,672	3,591	3,506	1,851	85	8,606	25,747
Region VII:												
Alabama.....	6,030	5,341	1,878	689	15,487	99,651	2,399	2,392	1,068	7	5,819	25,762
Florida.....	1,682	1,233	659	449	11,170	47,294	982	972	557	10	5,514	15,993
Georgia.....	6,611	5,264	1,782	1,347	24,636	114,094	3,033	3,010	1,599	23	11,813	48,960
Mississippi.....	3,971	1,212	626	2,759	12,690	41,552	889	886	605	3	4,545	11,533
North Carolina.....	2,614	1,127	588	1,487	7,281	36,438	823	814	602	9	2,535	10,544
Tennessee.....	3,617	2,891	1,079	726	8,841	89,078	2,669	2,664	1,525	5	5,878	35,613
Region VIII:												
Iowa.....	4,907	3,890	1,129	1,317	10,351	66,843	2,695	2,584	1,058	111	4,680	20,275
Minnesota.....	4,409	3,534	2,160	575	12,442	116,735	2,755	2,722	1,441	33	6,060	35,922
Nebraska.....	2,319	894	334	1,425	9,731	38,746	861	832	481	29	3,098	9,850
North Dakota.....	1,429	1,162	414	277	2,821	23,235	886	867	405	19	1,317	6,121
South Dakota.....	1,204	615	215	589	2,023	21,745	657	651	261	6	882	6,617
Region IX:												
Arkansas.....	5,020	4,665	563	355	7,696	43,544	2,066	2,065	804	1	2,989	10,932
Kansas.....	2,979	2,428	553	551	12,546	49,435	1,596	1,578	691	18	3,925	11,380
Missouri.....	5,570	4,780	1,915	790	32,025	135,054	3,623	3,596	2,176	27	15,378	82,029
Oklahoma.....	4,215	3,510	336	708	12,650	70,956	2,331	2,325	805	6	4,424	16,856
Region X:												
Louisiana.....	1,511	1,104	570	407	14,553	67,544	1,892	1,877	1,230	15	5,278	17,148
New Mexico.....	885	602	333	283	3,075	31,938	344	332	197	12	536	5,723
Texas.....	20,291	18,167	3,553	2,124	33,519	193,119	10,360	10,320	4,045	40	15,362	60,119
Region XI:												
Arizona.....	2,206	1,862	692	344	4,781	21,454	849	811	293	88	1,424	4,372
Colorado.....	3,727	3,313	1,231	414	10,269	49,654	1,730	1,706	753	24	4,109	12,638
Idaho.....	3,619	2,778	630	741	5,580	11,960	734	727	392	7	1,205	2,007
Montana.....	2,448	1,446	1,060	1,002	3,746	22,891	373	368	265	6	819	4,831
Utah.....	1,237	1,039	145	198	5,915	16,264	564	545	186	19	1,675	3,901
Wyoming.....	1,193	545	354	648	2,610	7,072	202	199	97	3	631	1,511
Region XII:												
California.....	13,140	11,132	4,830	1,968	56,902	341,552	9,104	9,030	4,756	74	30,107	144,712
Nevada.....	896	748	289	148	2,186	4,679	333	326	153	7	578	1,030
Oregon.....	4,554	3,330	1,779	1,224	11,809	34,170	1,477	1,430	543	47	3,723	8,902
Washington.....	7,131	6,310	2,736	821	15,443	81,971	2,268	2,247	1,049	41	5,167	24,676
Territories:												
Alaska.....	689	229	83	460	1,102	2,280	74	60	19	14	111	263
Hawaii.....	635	259	69	376	1,238	7,502	126	118	52	8	295	2,469



Table 9.—Number of weeks of unemployment compensated by payments on interstate claims<sup>1</sup> received as liable State from agent State,<sup>2</sup> by States,  
January–March 1940

[Data reported by State agencies, corrected to May 4, 1940]

Social Security Board region and liable State	Social Security Board region and agent State																												
	I					II		III			IV				V		VI			VII									
	Conn.	Maine	Mass.	N. H.	R. I.	Vt.	N. Y.	Del.	N. J.	Pa.	D. C.	Md.	N. C.	Va.	Ky.	Mich.	Ohio	Ill.	Ind.	Wia.	Ala.	Fla.	Ga.	Miss.	S. C.	Tenn.			
Total	547,352	6,102	2,951	16,623	3,913	5,538	1,724	20,965	1,500	12,636	19,522	5,094	7,332	5,993	8,107	5,436	8,826	10,063	13,380	19,708	10,481	6,282	8,325	29,912	7,707	7,022	4,195	11,909	
Region I: Connecticut	10,542		286	2,848	140	785	162	3,791	11	619	348	69	69	13	69	12	10	58	64	53	20	25	18	648	34	9	11		
Maine	4,193	222		1,730	847	992	594	2,463	12	75	67	23	29	0	12	8		26	0	16	5			293	9	6	0	0	
Massachusetts	15,047	1,275	1,093	1,711	3,092	594	2,463	594	12	457	496	59	150	30	72	68	22	118	182	236	57	74	20	1,430	16	4	8	83	
New Hampshire	3,993	4	411	2,381	1,188	338	156	0	29	28	23	4	0	16	1	1		18	4	4	0	1	11	173	10	0	12	0	
Rhode Island	5,997	761	103	2,692	151	0	0	141	120	51	82	15	54	27	23	32		58	47	0	18	0	51	28	6	3	3	0	
Vermont	2,159	91	92	2,727	467	20	0	38	401	0	28	0	0	1	0	0		16	11	11	9	0	2	184	6	8	0	0	
Region II: New York	47,823	2,387	613	3,722	310	719	302	123	6,413	6,212	740	1,011	572	810	203	1,095	1,148	1,305	344	182	325	10,124	430	86	288	221			
Region III: Delaware	2,786	7		1,105	67	139																							
New Jersey	11,688	443	49	495	67	115	40	2,444	216	143	1,071	176	297	383	4	38	17	10	163	321	199	91	14	72	1,577	69	31	97	13
Pennsylvania	18,897	249	69	377	39	73	26	244	622	2,372	2,472	259	1,121	253	1,445	629	248	2,329	2,777	171	119	78	1,470	80	12	93	34	27	
Maryland	6,738	0	0	66	2	11	0	139	15	47	324	1,121	253	681	252	38	46	64	74	27	16	15	356	25	0	102	86	86	
North Carolina	6,081	18	17	41	8	2	0	471	273	261	810	1,068	930	1,345	94	71	38	63	66	19	0	149	253	396	24	1,494	424	424	
Virginia	10,700	59	18	55	3	22	0	762	123	241	707	1,698	956	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507	
West Virginia	5,994	7	16	25	0	0	1	303	9	60	620	62	222	289	1,331	215													
Region V: Kentucky	6,269	9	0	14	1	5	0	75	0	9	70	83	34	215	1,069	1,069													
Michigan	21,489	26	22	208	13	23	24	951	6	119	934	81	79	109	192	329	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069	
Ohio	17,014	19	8	158	3	26	2	927	0	247	930	79	140	71	84	112	706	706	706	706	706	706	706	706	706	706	706	706	
Region VI: Illinois	34,438	19	3	249	8	14	36	1	179	69	104	81	104	81	84	112	706	706	706	706	706	706	706	706	706	706	706	706	
Indiana	9,250	0	0	15	0	0	0	15	0	47	234	11	28	16	36	61	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	
Wisconsin	2,053	0	4	7	0	0	0	40	0	15	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Region VII: Alabama	8,400	33	3	24	0	10	0	240	5	41	101	33	25	159	86	85	240	250	250	250	250	250	250	250	250	250	250	250	
Florida	8,659	75	40	249	55	47	29	1,220	6	245	382	59	43	186	129	99	155	156	156	156	156	156	156	156	156	156	156	156	
Georgia	7,020	3	6	34	13	10	0	330	17	82	156	54	71	335	143	46	173	59	120	134	140	140	140	140	140	140	140	140	
Mississippi	5,808	0	0	0	0	0	0	50	0	23	16	2	32	50	0	173	59	51	187	59	20	919	94	192	192	192	192	192	
South Carolina	3,153	21	6	1	0	7	0	231	8	77	183	145	107	949	01	9	7	12	14	31	8	2	130	161	161	161	161	161	
Tennessee	9,461	1	1	31	4	0	0	171	3	36	127	39	79	285	376	77	958	308	318	471	353	301	1,061	311	787	787	787	787	
Region VIII: Iowa	8,717	18	0	12	0	0	0	44	2	10	48	2	11	1	9	9	50	70	78	115	207	4	145	15	31	0	0	0	
Minnesota	8,564	3	0	38	16	6	0	184	4	18	61	19	9	37	9	13	36	43	106	33	48	10	39	1	9	3	3	3	
Nebraska	7,538	0	0	0	0	0	0	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
North Dakota	2,442	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
South Dakota	1,921	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Region IX: Arkansas	9,219	10	8	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Kansas	8,084	0	0	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Missouri	10,746	11	17	28	0	0	0	143	1	24	75	22	28	18	23	8	251	157	98	1,749	195	43	86	171	40	80	23	57	
Oklahoma	9,275	0	0	0	0	0	0	24	4	1	55	23	3	24	19	32	26	35	265	44	35	40	22	30	35	23	57	57	
Region X: Louisiana	10,801	0	16	51	7	5	0	234	1	43	89	34	11	18	37	19	67	81	65	379	59	4	455	242	72	812	21	332	
New Mexico	7,620	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Texas	19,346	12	0	20	0	8	14	214	0	34	64	42	52	60	56	30	134	140	192	532	258	56	228	150	548	32	242	242	
Region XI: Arizona	7,849	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Colorado	12,495	19	10	17	0	12	0	118	0	9	3	11	4	6	10	70	56	64	307	107	19	50	65	9	76	2	65	15	
Idaho	10,196	7	0	0	0	0	0	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Montana	13,716	0	0	0	0	0	0	7	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Utah	3,374	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Wyoming	8,722	0	10	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Region XII: California	57,413	161	5	223	35	59	23	2,041	20	303	531	137	147	170	183	125	277	727	1,016	1,908	645	554	201	747	237	200	31	743	
Nevada	9,189	7	9	17	0	0	1	36	1	34	35	7	0	13	0	0	31	32	40	60	24	14	24	29	1	14	0	17	
Oregon	6,380	4	0	0	0	0	0	20	0	107	3	12	49	27	13	3	33	43	8	16	8	14	0	35	0	7	0	17	
Washington	22,563	13	4	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Territories: Alaska	3,546	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Hawaii	3,494	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

See footnotes at end of table.



Table 9.—Number of weeks of unemployment compensated by payments on interstate claims<sup>1</sup> received as liable State from agent State,<sup>2</sup> by States,  
January-March 1940—Continued

[Data reported by State agencies, corrected to May 4, 1940]

Social Security Board region and liable State	Social Security Board region and agent State																								
	VIII						IX				X				XI				XII				Territories		Unal- located
	Iowa	Minn.	Nebr.	N. Dak.	S. Dak.	Ark.	Kans.	Mo.	Okla.	La.	N. Mex.	Tex.	Ariz.	Colo.	Idaho	Mont.	Utah	Wyo.	Calif.	Nev.	Oreg.	Wash.	Alaska	Hawaii	
Total.....	9,147	9,387	6,638	2,998	2,780	12,727	9,398	21,925	17,225	9,544	4,240	22,970	8,329	8,915	8,165	5,185	5,768	2,638	67,401	3,935	18,537	20,455	543	645	160
Region I: Connecticut.....	11	13	0	0	0	5	4	4	19	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maine.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts.....	20	6	5	17	0	0	12	38	0	78	1	78	24	6	2	4	12	0	0	0	0	0	0	0	0
New Hampshire.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rhode Island.....	3	0	14	0	0	0	0	6	0	9	0	35	20	4	17	0	0	0	0	0	0	0	0	0	0
Vermont.....	0	0	6	0	0	0	0	0	0	0	0	2	16	4	5	0	0	0	0	0	0	0	0	0	0
Region II: New York.....	84	178	52	21	5	70	54	365	174	281	21	384	252	168	6	19	66	42	611	44	90	187	11	19	0
New Jersey.....	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Jersey.....	23	13	9	0	0	5	12	66	37	90	4	138	66	58	1	5	4	16	615	30	14	45	0	0	0
Pennsylvania.....	69	70	67	2	0	90	49	141	23	80	4	138	66	58	12	4	8	0	0	0	0	0	0	0	0
Region III: Delaware.....	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maryland.....	22	9	19	0	0	33	2	34	9	11	0	12	15	25	1	5	4	0	0	0	0	0	0	0	0
North Carolina.....	32	0	0	0	0	16	17	86	8	27	0	77	0	18	0	0	0	0	0	0	0	0	0	0	0
Virginia.....	10	0	8	0	1	20	14	4	33	46	10	91	0	13	0	0	7	0	0	0	0	0	0	0	0
West Virginia.....	0	6	0	0	0	35	7	05	24	8	12	31	39	7	18	4	7	0	0	0	0	0	0	0	0
Region IV: Kentucky.....	0	14	15	0	0	119	97	303	71	112	6	85	40	42	0	0	0	0	0	0	0	0	0	0	0
Michigan.....	274	606	43	47	66	467	190	1,034	165	134	23	429	81	108	33	81	22	3	1,677	18	115	172	10	12	0
Ohio.....	115	106	20	0	9	111	114	255	76	117	42	422	146	80	42	42	87	4	53	5,795	38	244	435	22	7
Region V: Illinois.....	2,734	1,131	395	28	91	706	677	2,982	1,269	479	163	1,448	426	369	42	42	87	4	53	5,795	38	244	435	22	7
Indiana.....	109	62	49	5	0	121	80	285	105	43	3	265	97	38	4	29	4	7	779	1	20	20	62	0	0
Wisconsin.....	120	300	9	30	3	25	10	39	3	21	1	57	24	16	4	3	0	2	179	0	0	0	0	0	0
Region VI: Alabama.....	10	48	0	0	0	104	4	155	45	363	12	297	23	4	0	15	30	16	298	0	0	0	0	0	0
Florida.....	40	36	10	0	0	97	84	108	80	186	0	205	29	23	0	0	0	0	641	0	0	0	0	0	0
Georgia.....	6	0	0	0	0	32	7	43	37	133	0	158	11	10	0	1	0	6	121	6	0	0	0	0	0
Mississippi.....	18	7	2	0	0	743	117	385	28	1,346	9	326	10	17	0	1	5	0	144	0	0	0	0	0	0
South Carolina.....	0	0	0	0	0	13	0	8	0	14	9	12	0	2	1	1	0	0	0	0	0	0	0	0	0
Tennessee.....	13	63	25	5	133	706	71	432	87	214	17	394	82	14	31	0	18	0	42	0	0	0	0	0	0
Region VII: Iowa.....	800	784	1,222	5	5	135	365	1,265	148	24	29	370	72	186	39	27	19	19	1,219	6	113	108	5	0	0
Minnesota.....	969	152	105	582	536	81	82	223	65	10	14	303	68	132	71	147	10	23	1,851	22	188	431	0	0	0
Nebraska.....	46	863	0	0	0	104	4	155	45	363	12	297	23	4	0	15	30	16	298	0	0	0	0	0	0
North Dakota.....	105	420	19	62	207	16	7	9	0	0	0	0	0	0	0	0	0	0	641	0	0	0	0	0	0
South Dakota.....	0	0	0	0	0	13	0	8	0	14	9	12	0	2	1	1	0	0	121	6	0	0	0	0	0
Region IX: Arkansas.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas.....	192	67	405	0	16	309	698	1,180	950	1,364	62	1,082	112	49	15	2	2	18	810	9	58	14	12	1	0
Missouri.....	431	140	293	7	17	922	241	1,545	1,478	47	128	84	805	176	483	43	17	23	1,419	10	89	199	0	0	0
Oklahoma.....	27	84	48	0	16	911	990	984	441	128	80	450	132	294	46	32	15	12	2,403	7	80	153	0	0	0
Louisiana.....	22	25	29	0	2	1,357	48	212	381	121	161	2,052	240	221	46	22	31	19	2,303	23	82	99	0	0	0
New Mexico.....	16	4	10	12	1	1,357	48	212	381	121	161	2,052	240	221	46	22	31	19	2,303	23	82	99	0	0	0
Texas.....	160	66	104	8	22	1,357	48	212	381	121	161	2,052	240	221	46	22	31	19	2,303	23	82	99	0	0	0
Region XI: Arizona.....	38	47	20	2	6	237	241	239	878	34	932	776	582	352	115	66	186	28	2,314	22	16	62	0	0	0
Colorado.....	181	61	557	35	106	322	882	1,202	658	51	692	643	76	133	103	330	326	22	2,314	22	16	62	0	0	0
Idaho.....	64	292	87	80	70	159	148	130	648	51	692	643	76	133	103	330	326	22	2,314	22	16	62	0	0	0
Montana.....	189	1,459	279	1,013	400	49	116	354	23	13	54	112	192	153	153	153	153	153	153	153	153	153	153	153	153
Utah.....	12	39	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming.....	269	212	766	38	201	84	227	280	202	8	113	214	34	30	78	85	30	78	85	30	78	85	30	78	85
Region XII: California.....	1,368	1,167	1,151	340	361	2,387	1,394	4,227	4,227	787	787	3,619	3,619	3,619	3,619	3,619	3,619	3,619	3,619	3,619	3,619	3,619	3,619	3,619	3,619
Nevada.....	20	102	71	17	13	39	183	107	122	37	12	19	68	489	137	63	27	74	2,337	74	2,337	74	2,337	74	2,337
Oregon.....	78	61	71	89	23	307	251	485	195	46	43	285	179	220	2,678	988	213	104	6,465	109	6,325	2,321	2,321	2,321	2,321
Washington.....	283	583	0	21	13	12	0	37	7	14	0	0	0	0	0	0	0	0	416	9	416	9	416	9	416
Territories: Alaska.....	8	83	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hawaii.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

<sup>1</sup> Includes claims for partial unemployment for a number of States, although such payments are not provided in the interstate benefit-payment plan.

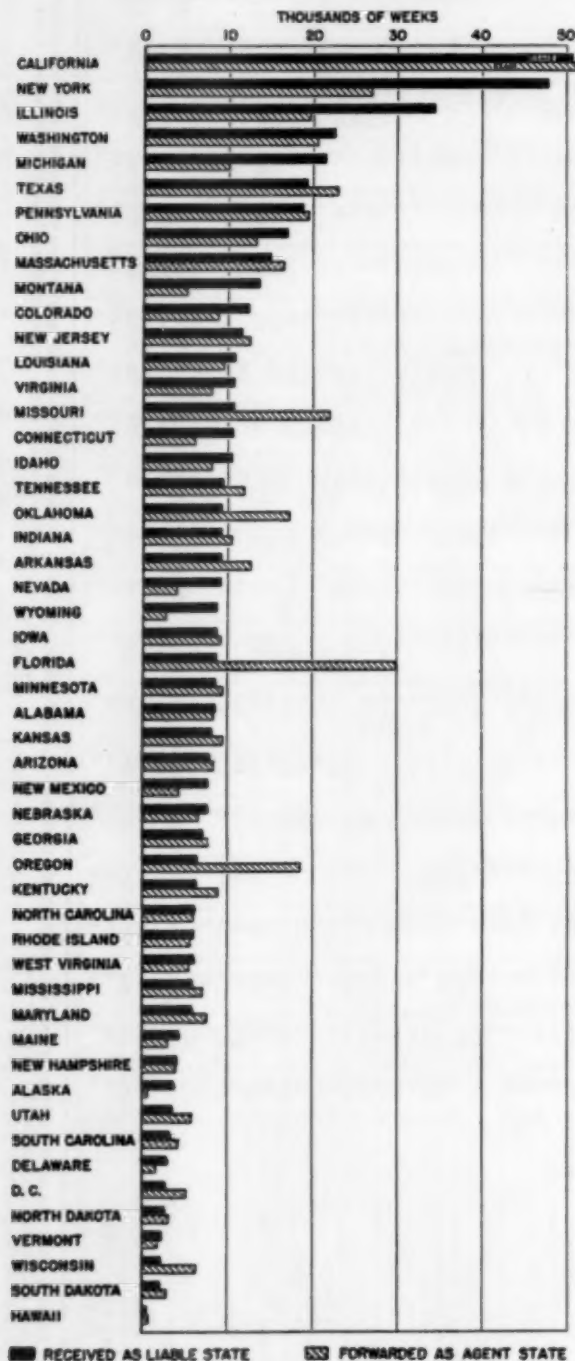
<sup>2</sup> The liable State is one to which a claim has been forwarded by agent State for disposition.

<sup>3</sup> Represents weeks compensated as liable State for which break-down by agent State was not reported.



quarter of 1940 by the 51 jurisdictions accepting interstate claims as liable State. This volume represented 4 percent of all weeks of unemployment compensated during the first quarter of the year, and 5 percent of the number of weeks of

Chart VI.—Weeks compensated as liable and agent State, January–March 1940



total unemployment compensated. More than one-third of the weeks of unemployment compensated on interstate claims during the first quarter of 1940 were accounted for by California, Illinois, Michigan, New York, and Washington.

As in past periods, neighboring States received most of the interstate claims to be forwarded to liable States. In Connecticut, Delaware, Nevada, New Hampshire, and Oregon, over 75 percent of the weeks of unemployment compensated by payments on interstate claims were forwarded from nearby States. Fifteen other States made approximately 60 percent or more of such payments on claims transmitted by adjacent States. In some instances, claims for more than half of all such weeks compensated were transmitted by a single agent State contiguous to the liable State. Bordering States, however, forwarded only a small part of the interstate claims compensated by California, Michigan, Montana, and Utah. Interstate claims for the bulk of the weeks of unemployment compensated by Alaska originated in Washington, reflecting the filing of claims by workers who had been employed in fish-canning operations during 1939.

Comparatively few States handled equivalent numbers of interstate claims both as agent and liable State, and in several instances the difference between the number of claims transmitted as agent and the number received for payment was quite marked. Alaska was outstanding among such States, compensating about 6½ times as many weeks of unemployment as liable State as it forwarded as agent State. In Michigan, Montana, Nevada, and Wyoming, the volume of weeks of unemployment compensated as liable State was more than twice the number forwarded as agent State; and in Connecticut, Delaware, Illinois, and New York, the number of weeks compensated was considerably in excess of the volume transmitted to other States.

Some evidence of the extent of migration among covered workers is afforded by data showing the State of origin of claim (agent State) and State of receipt for payment (liable State). California, Michigan, and New York issued payments for claims originating throughout the country, and Illinois compensated claims from all but one State. Although a large proportion of the claims paid by Michigan and New York were transmitted by nearby States, 10 percent of the Michigan



and 12 percent of the New York claims originated in California. However, Florida was the largest single contributor to the New York receipts from other States, with 21 percent of the total weeks compensated by New York originating in that State. The 57,400 weeks of unemployment compensated by California originated in significant volumes in many States. Although the largest proportions were forwarded by contiguous and nearby States, there were many States quite distant from California which accounted for significant proportions of the total weeks compensated by California during the first quarter of 1940. Nearly every State made payments on claims received from at least half the States.

California not only compensated more interstate claims than any other State but it also forwarded more claims as agent than any other State, indicating that during the first quarter of 1940 there was a movement of workers into as well as out of the State. About 18 percent more claims were received as agent State than were paid by California as liable State.

#### *State Amendments*

As of June 27, three States—Illinois, Maine, and New Jersey—had amended their unemployment compensation laws in June.

*Illinois.*—Several important changes are made by an amendment approved June 12. The definition of employment is amended to include service on land owned by the United States. Additional services are excluded from coverage in line with most of the exclusions in the Federal Unemployment Tax Act. Wages are defined to exclude annual remuneration in excess of \$3,000 per em-

ployee per employer and certain other payments by employers. The contribution rate and the wage qualification for benefits are based on wages paid, effective January 1, 1941; and the weekly benefit amount and benefit duration are based on wages paid, effective April 1, 1942.

For waiting-period purposes, an individual is deemed unemployed while receiving earnings under Federal work programs of the Work Projects Administration, the National Youth Administration, and other similar agencies. The provision excluding, for benefit purposes, wages earned in part-time work by a minor student and wages earned by an individual for casual labor in emergency work is repealed.

When a claimant receives undeserved benefits through fraud, the director of the State agency is permitted to recoup the amount from any benefits subsequently due such claimant during the benefit year. Claims procedure is amended with respect to initial findings and determinations. Procedure for the collection of delinquent contributions is amended. Except as otherwise expressly provided, the amendments are effective July 1, 1940.

*Maine.*—An amendment approved June 27 clarifies the respective responsibilities of the Unemployment Compensation Commission and the State controller in disbursing unemployment benefits.

*New Jersey.*—An amendment of June 17, designed to strengthen collection procedures, creates as a lien unpaid contributions by authorizing the recording thereof in the State supreme court, such lien to have the force and effect of a judgment against the assets of the employer and the employee.



## RAILROAD UNEMPLOYMENT INSURANCE \*

In the 5 weeks ended May 31, 1940, the regional offices of the Railroad Retirement Board received 124,214 claims for railroad unemployment insurance. The average number of claims received per week was 24,843, about 21 percent below the weekly average in April and almost 30 percent below the weekly average in March. Fewer claims were received in each week in May, except the week ended May 10, than the lowest weekly claims receipts in April. The claims series indicates that unemployment among eligible workers declined from an average of 62,500 in the second half of March and the first half of April to about 50,000 in the second half of April and the first half of May. Some of this decline may result from the fact that in the April-May period an additional 5,800 employees exhausted their benefit rights for the current benefit year. Employment data for class I railroads compiled by the Interstate Commerce Commission indicate that the decline in unemployment was mainly the result of the seasonal reemployment of maintenance-of-way workers and of small contraseasonal increases in employment in railroad shops and among train-and-engine crews.

Applications for certificate of benefit rights from workers who became unemployed for the first time since the middle of June 1939 were received

in May at an average weekly rate of about 1,200, lower than in any other month since the beginning of operations. The average number of certifications for waiting-period credit per week rose from April to May primarily because of the large volume in the week ended May 10. The large number certified during that week is related to the increase in the number of applications for certificate of benefit rights received in the last April week. The number of certifications for benefit payment continued to drop in May so that an average of only 18,309 such certifications per week were made in that month. The decline of 27 percent from the April average is accounted for mainly by the large reduction in the number of claims received and a decrease in the proportion of effective claims, that is, claims containing registrations for 8 or more days of unemployment in the half month.

Despite the decline in the number of all benefit certifications in May, the average number of initial certifications in the benefit year increased from 1,452 per week in April to 1,579 per week in May. This rise reflects, with the expected lag of a month, the increased receipts in April of applications for certificate of benefit rights. The number of final benefit certifications due to the exhaustion of benefit rights for the current year declined slightly in May, when the weekly average was 1,171 as compared with 1,263 in April. Because initial certifications in May exceeded final

\* Prepared by the Bureau of Research and Information Service, Railroad Retirement Board, in collaboration with the Bureau of Research and Statistics, Social Security Board.

**Table 1.—Railroad unemployment insurance: Average benefit payment, average daily benefit amount, and average number of compensable days of unemployment for benefit certifications, July 1939–May 1940<sup>1</sup>**

Period	All certifications			Certifications with 8 compensable days			Certifications with 1-7 compensable days		
	Average benefit payment	Average daily benefit amount	Average number of compensable days	Percent of total certifications	Average benefit payment	Average daily benefit amount	Average benefit payment	Average daily benefit amount	Average number of compensable days
July 16–Sept. 1.....	\$14.91	\$2.31	6.45	57.7	\$18.49	\$2.31	\$9.97	\$2.31	4.32
Sept. 2–29.....	14.60	2.31	6.30	55.9	18.51	2.31	9.50	2.30	4.13
Sept. 30–Oct. 27.....	14.90	2.29	6.48	58.5	18.31	2.29	9.92	2.29	4.34
Oct. 28–Dec. 1.....	15.34	2.26	6.72	63.2	18.15	2.27	10.19	2.25	4.51
Dec. 2–29.....	15.15	2.23	6.82	65.5	17.76	2.22	10.35	2.25	4.58
Dec. 30, 1939–Feb. 2, 1940.....	15.04	2.23	6.80	64.8	17.76	2.22	10.35	2.25	4.58
Feb. 3–Mar. 1.....	15.12	2.23	6.84	65.7	17.75	2.22	10.40	2.26	4.60
Mar. 2–29.....	14.86	2.24	6.71	63.4	17.68	2.21	10.19	2.28	4.47
Mar. 30–Apr. 26.....	14.61	2.24	6.59	59.9	17.76	2.22	10.19	2.28	4.47
Apr. 27–May 31.....	14.13	2.28	6.28	53.8	18.16	2.27	9.82	2.30	4.27
Week ended:									
May 3.....	14.55	2.25	6.50	58.7	17.92	2.24	9.85	2.26	4.36
May 10.....	13.86	2.29	6.13	51.4	18.16	2.27	9.65	2.32	4.16
May 17.....	13.77	2.28	6.14	51.8	18.08	2.26	9.54	2.30	4.15
May 24.....	14.25	2.29	6.31	52.9	18.32	2.29	10.12	2.30	4.40
May 31.....	14.24	2.30	6.32	54.4	18.24	2.28	10.02	2.32	4.52

<sup>1</sup> All data except average benefit payment for all certifications are based on 20-percent sample of benefit certifications for each day in each regional office.



**Table 2.—Railroad unemployment insurance: Applications for certificate of benefit rights and claims received, certificates of waiting-period credit issued, and benefit payments certified, June 1939–May 1940**

Period	Applications received	Claims received	Certificates of waiting-period credit issued	Benefit payments certified		
				Number	Total amount	Average amount
Cumulative through May 31, 1940.....	208,564	1,357,596	186,425	938,829	\$13,953,152	\$14.86
Cumulative through Apr. 26, 1940.....	202,327	1,233,372	177,628	847,285	12,659,385	14.94
Apr. 26–May 31, 1940.....	6,237	124,214	8,797	91,544	1,293,767	14.13
Week ended:						
May 3.....	1,406	27,695	1,842	20,800	302,679	14.55
May 10.....	1,328	30,285	2,972	22,594	313,148	13.86
May 17.....	1,299	24,608	1,383	17,053	234,832	13.77
May 24.....	1,275	23,599	1,435	17,979	256,270	14.25
May 31.....	929	18,027	1,165	13,118	186,838	14.24
Weekly averages:						
Period ended Sept. 1, 1939 <sup>1</sup> .....	8,965	26,151	8,158	12,838	191,372	14.91
Sept. 2–29.....	2,457	27,961	3,735	21,737	317,349	14.60
Sept. 30–Oct. 27.....	2,223	21,223	2,061	15,658	233,302	14.90
Oct. 28–Dec. 1.....	4,253	20,412	2,759	14,175	217,466	15.34
Dec. 2–29.....	5,284	28,447	4,964	18,783	284,493	15.15
Dec. 30, 1939–Feb. 2, 1940.....	3,780	36,357	4,516	26,803	403,214	15.04
Feb. 3–Mar. 1.....	2,279	34,488	2,415	27,950	422,607	15.12
Mar. 2–29.....	1,603	35,082	2,130	28,833	428,538	14.86
Mar. 30–Apr. 26.....	2,042	31,342	1,653	25,172	367,807	14.61
Apr. 27–May 31.....	1,247	24,843	1,759	18,309	258,753	14.13

<sup>1</sup> Number of weeks used to obtain weekly averages for period ended Sept. 1, 1939, is as follows: for applications, 11 (June 16–Sept. 1); for claims and certifications of waiting-period credit, 9 (July 1–Sept. 1); for benefit payments, 7 (July 16–Sept. 1).

certifications, the number of current benefit accounts rose from 128,727 on April 26 to 130,726 on May 31.

The amount of benefits certified in May was nearly \$1.3 million. The average per certification applying to a 15-day period with 8 or more days of unemployment was \$14.13, a drop of 3.3 percent from the April average. As shown in table 1, based on a 20-percent sample, the fall in the average is due mainly to a decline in the duration of unemployment. This change is reflected both in a decrease in the proportion of beneficiaries with 8 compensable days in the half month and in a decrease in the average number of compensable days for the other beneficiaries. However, the average daily benefit amount rose for both classes of beneficiaries. Because the daily benefit amount is directly related to the base-year earnings, this increase indicates that the beneficiaries in May had higher average base-year earnings than those in April.

In table 3 the number of benefit certifications and the amount of benefits for the 5-week period ended May 31 are shown by State of residence of the beneficiary. The figures are calculated from a tabulation of a 20-percent sample of certifications.

Data based on the 20-percent sample are presented in table 4 to indicate the differences in certifications by quarterly period and region. The figures for the first quarter cover all benefit certifications for the half months begun prior to September 28 and ended prior to October 12; those for the second quarter cover all benefit certifications for subsequent half months begun prior to December 27 and ended prior to January 10; those for the third quarter cover all benefit cer-

**Table 3.—Railroad unemployment insurance: Number and amount of benefit payments certified, by State of residence of beneficiary, Apr. 26–May 31, 1940<sup>1</sup>**

State	Number	Amount
Total.....	91,544	\$1,293,768
Alabama.....	899	12,020
Arizona.....	181	3,113
Arkansas.....	2,206	24,922
California.....	4,039	62,908
Colorado.....	2,638	37,912
Connecticut.....	382	5,518
Delaware.....	126	1,877
District of Columbia.....	100	1,263
Florida.....	965	12,902
Georgia.....	1,090	16,418
Idaho.....	955	14,659
Illinois.....	7,686	109,977
Indiana.....	2,808	29,623
Iowa.....	2,879	40,347
Kansas.....	3,296	47,198
Kentucky.....	1,377	18,947
Louisiana.....	1,452	18,371
Maine.....	528	6,913
Maryland.....	728	10,382
Massachusetts.....	1,186	17,179
Michigan.....	1,673	23,353
Minnesota.....	3,813	48,966
Mississippi.....	754	11,169
Missouri.....	4,632	70,662
Montana.....	905	13,065
Nebraska.....	2,648	37,648
Nevada.....	206	3,125
New Hampshire.....	206	2,910
New Jersey.....	1,874	27,286
New Mexico.....	548	8,531
New York.....	6,746	98,699
North Carolina.....	859	12,940
North Dakota.....	594	11,776
Ohio.....	5,190	72,279
Oklahoma.....	1,346	20,290
Oregon.....	849	12,303
Pennsylvania.....	8,706	107,417
Rhode Island.....	141	2,242
South Carolina.....	417	5,966
South Dakota.....	482	6,906
Tennessee.....	1,161	15,421
Texas.....	3,924	58,401
Utah.....	1,256	18,096
Vermont.....	246	3,390
Virginia.....	744	10,184
Washington.....	1,603	21,067
West Virginia.....	955	12,621
Wisconsin.....	2,115	29,412
Wyoming.....	864	12,092
Outside continental United States.....	236	3,008

<sup>1</sup> Based on 20-percent sample of benefit certifications for each day in each regional office.



tifications for subsequent half months begun prior to March 26 and ended prior to April 9.

The differences between the first and second quarters were discussed in the April Bulletin (pp. 41-42). In the third quarter the character of compensable unemployment for the country as a whole was substantially similar to that in the second, although the average number of beneficiaries per half month increased from about 32,400 to 55,700, or by more than 70 percent. The proportion of beneficiaries with total and continuous unemployment in the half month was about 64 percent of the total in both periods, and the average number of days of unemployment for the other beneficiaries also remained at the level of about 11½ days. In the second quarter the average daily benefit amount was somewhat lower than in the first. This average was not significantly changed in the third quarter for either of the two groups of beneficiaries.

The regional figures in table 4 indicate that the statements concerning the quarterly periods are also applicable, with a few exceptions, to the regions. Since they cover smaller numbers than the totals for the country, the regional averages show less stability. However, except for Cleveland and Richmond, the changes in the regional figures between the second and third quarters are small. They tend to confirm therefore the conclusions that the duration of compensable unemployment in the half month and the composition of beneficiaries in terms of base-year earnings and, by inference, in terms of occupational characteristics was practically the same in the third quarter as in the second. No reliable explanation can be given for the decline in the third quarter in the proportion of certifications for continuous and total unemployment in the Richmond region. An analysis by half months shows that the increase in this proportion in Cleveland occurred mainly in the last half of February and the first half of March. Employment data compiled by the Interstate Commerce Commission indicate a large

reduction in maintenance-of-way employment during that period in the eastern district, mainly the Great Lakes and Central Eastern areas.

**Table 4.—Railroad unemployment insurance: Average benefit payment, average daily benefit amount, and average number of compensable days of unemployment in benefit certifications for half-monthly periods in the first 3 quarters of operation, by regions <sup>1</sup>**

Region	Quarter <sup>2</sup>	Average benefit payment	Certifications with 8 compensable days		Certifications with 1-7 compensable days	
			Percent of all certifications	Average daily benefit amount	Average daily benefit amount	Average number of compensable days
Total.....	First....	\$14.73	56.6	\$2.31	\$2.32	4.25
	Second..	15.19	63.9	2.34	2.27	4.53
	Third....	15.07	64.2	2.22	2.27	4.54
Boston.....	First....	15.23	56.4	2.38	2.37	4.37
	Second..	15.07	61.8	2.26	2.26	4.48
	Third....	15.19	63.8	2.23	2.23	4.75
New York.....	First....	14.39	55.6	2.35	2.36	3.78
	Second..	15.01	63.0	2.25	2.30	4.24
	Third....	14.67	61.6	2.23	2.31	4.08
Cleveland.....	First....	13.92	52.7	2.24	2.29	4.12
	Second..	14.29	58.5	2.21	2.20	4.34
	Third....	14.87	65.1	2.18	2.21	4.54
Chicago.....	First....	14.44	53.9	2.28	2.31	4.31
	Second..	15.09	63.9	2.23	2.26	4.52
	Third....	15.05	63.6	2.20	2.25	4.66
Richmond.....	First....	15.65	64.9	2.23	2.33	4.37
	Second..	15.29	65.7	2.29	2.30	4.55
	Third....	14.65	60.8	2.23	2.23	4.34
Atlanta.....	First....	14.96	58.9	2.25	2.27	4.72
	Second..	14.77	60.7	2.21	2.23	4.63
	Third....	14.48	58.5	2.22	2.20	4.49
Minneapolis....	First....	14.51	55.9	2.24	2.22	4.61
	Second..	15.42	70.8	2.16	2.24	4.80
	Third....	15.43	69.1	2.15	2.28	4.70
Kansas City....	First....	15.50	60.4	2.35	2.30	4.63
	Second..	15.88	64.3	2.25	2.26	4.71
	Third....	15.14	64.6	2.20	2.27	4.67
Dallas.....	First....	14.24	53.5	2.31	2.33	4.02
	Second..	14.62	57.8	2.27	2.29	4.28
	Third....	14.43	56.1	2.26	2.30	4.30
Denver.....	First....	15.22	54.8	2.39	2.36	4.49
	Second..	15.75	65.6	2.27	2.29	4.55
	Third....	15.64	65.4	2.26	2.28	4.57
Seattle.....	First....	15.81	58.5	2.40	2.42	4.55
	Second..	15.91	70.3	2.26	2.33	4.58
	Third....	15.50	67.5	2.22	2.30	4.99
San Francisco..	First....	16.78	68.3	2.43	2.38	4.68
	Second..	16.57	71.0	2.35	2.32	4.79
	Third....	16.15	68.9	2.32	2.34	4.66

<sup>1</sup> Based on 20-percent sample of benefit certifications for each day in each regional office.

<sup>2</sup> For dates covered by quarters, see text.



# PUBLIC ASSISTANCE

BUREAU OF RESEARCH AND STATISTICS • DIVISION OF PUBLIC ASSISTANCE RESEARCH

## SOURCES OF FUNDS EXPENDED FOR THE SPECIAL TYPES OF PUBLIC ASSISTANCE IN 1939

During 1939 assistance payments to recipients of old-age assistance, aid to dependent children, and aid to the blind in States<sup>1</sup> administering these types of assistance under the Social Security Act amounted to \$557 million.<sup>2</sup> This aggregate sum includes expenditures for money payments to recipients, assistance in kind, medical care, hospitalization, and burials; the data on payments exclude all costs of administering the programs. In 1939 old-age assistance was ad-

types of public assistance in 1939, the Federal and State governments supplied the largest shares. Federal funds amounted to \$243.2 million or 43.7 percent of the total, and State funds accounted

Table 1.—Expenditures for assistance to recipients of the special types of public assistance in States with plans approved by the Social Security Board, by program and by source of funds, 1939<sup>1</sup>

Program	Total	Federal funds	State funds	Local funds
Amount (in thousands)				
Total.....	\$556,759.7	\$243,168.6	\$239,114.4	\$74,476.7
Old-age assistance.....	433,575.2	208,317.4	182,004.8	43,253.0
Aid to dependent children.....	110,744.7	29,463.8	52,537.3	28,723.7
Aid to the blind.....	12,439.8	5,387.5	4,552.3	2,500.0
Percentage distribution by program				
Total.....	100.0	100.0	100.0	100.0
Old-age assistance.....	77.9	85.7	76.1	58.1
Aid to dependent children.....	19.9	12.1	22.0	38.6
Aid to the blind.....	2.2	2.2	1.9	3.3
Percentage distribution by source of funds				
Total.....	100.0	43.7	42.9	13.4
Old-age assistance.....	100.0	48.0	42.0	10.0
Aid to dependent children.....	100.0	26.6	47.5	25.9
Aid to the blind.....	100.0	43.3	36.6	20.1

<sup>1</sup> See tables 2, 3, and 4 for State figures and for explanatory footnotes.

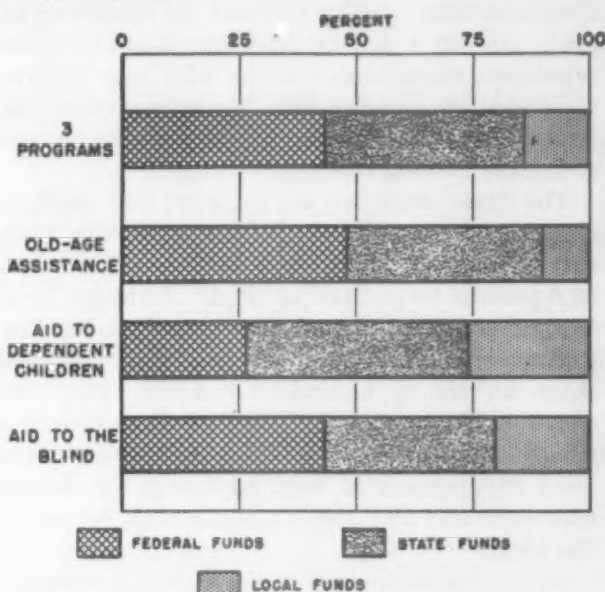
ministered under State plans approved by the Social Security Board in all 51 jurisdictions eligible for Federal grants, aid to dependent children in 42 jurisdictions, and aid to the blind in 43 jurisdictions.

Of the \$556.8 million expended for the special

<sup>1</sup> Includes the District of Columbia, Alaska, and Hawaii.

<sup>2</sup> In addition, relatively small expenditures amounting to about \$12 million were made in 1939 for aid to dependent children and aid to the blind in States in which these types of assistance are administered under State laws without Federal participation.

Chart I.—Percentage distribution of expenditures for the special types of public assistance in States with plans approved by the Social Security Board, by source of funds, 1939



for \$239.1 million or 42.9 percent. Local governments provided \$74.5 million or 13.4 percent of aggregate assistance payments. There are marked differences, however, among the three programs in the proportions of total assistance costs supplied from Federal, State, and local funds, as shown in table 1 and chart I. Federal funds represented 48.0 percent of total payments for old-age assistance and 43.3 percent for aid to the blind, but only 26.6 percent of the total expended for aid to dependent children was provided by the Federal Government. The smaller share of Federal funds for aid to dependent children reflects primarily the influence of the lower Federal matching ratio applicable to this program prior to January 1940—one-third, within limits specified



by the Social Security Act, as compared with one-half for old-age assistance and aid to the blind.<sup>3</sup>

The Federal share of total payments is lower than the ratio of Federal participation authorized for each of the three programs because a substantial proportion of the States make some expenditures for assistance in which Federal funds may not be used under the provisions of the Social Security Act. A number of States make some individual monthly payments which exceed the maximum amounts in which the Federal Government shares.<sup>4</sup> Although the Federal Government may contribute only toward money payments to recipients, many States expend funds also for various services to recipients, such as medical care, hospitalization, and burials, and for assistance in kind. Under a few State plans, moreover, the provisions concerning persons who may receive assistance are broader than the provisions of the Federal statute relating to persons for whose assistance Federal funds may be used.

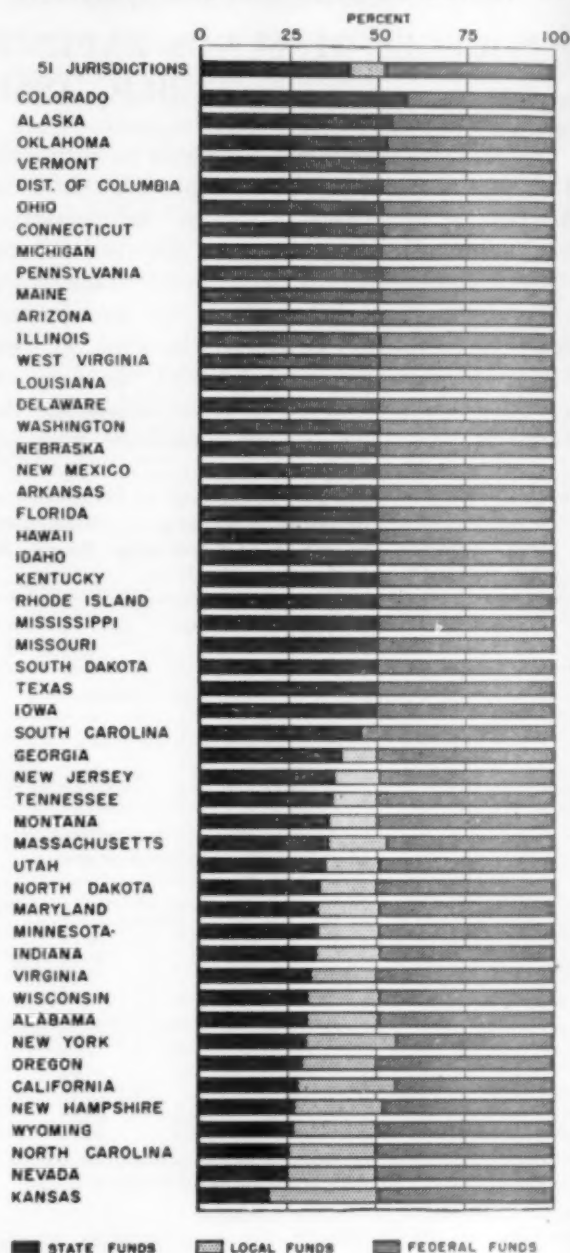
The State share for aid to dependent children amounted to 47.5 percent, as compared with State shares of 42.0 percent for old-age assistance and 36.6 percent for aid to the blind. Although local funds represented the smallest proportion of total payments under each of the programs, the local share for aid to dependent children—25.9 percent—was only slightly less than that provided from Federal funds. The local governments supplied 10.0 percent of total payments for old-age assistance and 20.1 percent of the total for aid to the blind.

By far the largest part of the aggregate expenditure under the three programs in 1939 was accounted for by assistance to the aged. Payments for old-age assistance amounted to \$433.6 million or 77.9 percent of the total, aid to dependent children to \$110.7 million or 19.9 percent, and aid to the blind to \$12.4 million or 2.2 percent. The program for old-age assistance absorbed 85.7 percent of total Federal funds spent for all three programs, 76.1 percent of total State funds, and 58.1 percent of total local funds. Only 12.1 per-

<sup>3</sup> Effective Jan. 1, 1940, Federal matching ratio for aid to dependent children was increased to one-half by amendment of Aug. 10, 1939, to the Social Security Act.

<sup>4</sup> Effective Jan. 1, 1940, the maximum monthly payment for old-age assistance or aid to the blind toward which the Federal Government contributes one-half was increased from \$30 to \$40. The maximum amount of aid to dependent children in which the Federal Government participates is \$18 a month for the first child and \$12 a month for each additional child aided in the same home.

Chart II.—Percentage distribution of expenditures for old-age assistance in States with plans approved by the Social Security Board, by source of funds, 1939



cent of total Federal funds was expended for aid to dependent children, in contrast to 22.0 percent of State funds and 38.6 percent of local funds. Aid to the blind represented an extremely small proportion of total assistance payments from each source—2.2 percent of Federal funds, 1.9 percent of State funds, and 3.3 percent of local funds.

For each of the three programs, marked differ-



ences in State patterns underlie the aggregate picture for all States combined. Data on the amounts expended for assistance in the several States and the percentage distributions by source

of funds are shown in tables 2, 3, and 4. The relative shares provided from Federal, State, and local funds are shown graphically in charts II, III, and IV.

Table 2.—Expenditures<sup>1</sup> for assistance to recipients of old-age assistance in States with plans approved by the Social Security Board, by source of funds, 1939

[Amounts in thousands; data corrected to May 25, 1940]

Social Security Board region and State	Total	Federal funds		State funds		Local funds	
		Amount	Percent	Amount	Percent	Amount	Percent
Total <sup>2</sup>	\$433,575.2	\$208,317.4	48.0	\$182,004.8	42.0	\$43,253.0	10.0
Region I:							
Connecticut	5,110.0	2,502.0	49.0	2,608.0	51.0		
Maine	3,040.1	1,493.1	49.1	1,547.0	50.9		
Massachusetts	27,000.6	12,730.5	47.1	9,762.8	36.2	4,516.3	16.7
New Hampshire	1,284.1	591.2	47.9	334.4	27.1	308.6	25.0
Rhode Island	1,484.0	742.0	50.0	742.0	50.0		
Vermont	1,068.3	515.3	48.2	553.0	51.8		
Region II:							
New York	33,313.3	14,745.8	44.3	10,060.0	30.2	8,507.5	25.5
Region III:							
Delaware	350.4	174.5	49.8	175.9	50.2		
New Jersey	6,960.6	3,438.3	49.4	2,652.2	38.1	870.1	12.5
Pennsylvania	20,621.8	10,096.0	49.0	10,525.8	51.0		
Region IV:							
District of Columbia	998.8	487.1	48.8	511.7	51.2		
Maryland	3,709.6	1,837.0	49.5	1,848.3	50.5	624.4	16.8
North Carolina	3,896.5	1,948.2	50.0	993.7	25.5	954.6	24.5
Virginia	1,544.9	772.5	50.0	482.8	31.3	289.7	18.7
West Virginia	2,805.9	1,391.0	49.6	1,414.9	50.4		
Region V:							
Kentucky	4,690.1	2,330.1	50.0	2,330.1	50.0		
Michigan <sup>3</sup>	15,797.3	7,739.6	49.0	8,057.7	51.0		
Ohio	32,469.8	15,817.8	48.8	16,592.0	51.2		
Region VI:							
Illinois	30,818.4	15,268.8	49.5	15,549.5	50.5		
Indiana	13,140.6	6,475.3	49.3	4,554.6	33.1	2,310.7	17.6
Wisconsin	12,101.5	5,949.7	49.2	3,709.9	30.6	2,442.0	20.2
Region VII:							
Alabama	1,901.2	941.8	49.6	578.7	30.4	380.7	20.0
Florida	5,635.7	2,817.8	50.0	2,817.8	50.0		
Georgia	2,708.3	1,354.0	50.0	1,065.5	40.0	270.8	10.0
Mississippi	1,725.6	862.8	50.0	862.8	50.0		
South Carolina <sup>4</sup>	2,244.2	1,227.8	54.7	1,016.4	45.3		
Tennessee	3,918.6	1,959.3	50.0	1,499.5	37.5	469.8	12.5
Region VIII:							
Iowa <sup>4</sup>	12,664.2	6,373.3	50.3	6,290.9	49.7		
Minnesota	16,503.7	8,175.9	49.5	8,326.3	50.5	2,801.5	17.0
Nebraska	5,114.7	2,554.6	49.9	2,560.1	50.1		
North Dakota	1,754.5	877.2	50.0	597.7	34.1	279.5	15.9
South Dakota	3,295.5	1,647.7	50.0	1,647.7	50.0		
Region IX:							
Arkansas	1,239.0	619.5	50.0	619.5	50.0		
Kansas	5,388.6	2,682.6	49.4	1,073.3	19.9	1,632.7	30.7
Missouri	17,020.5	8,510.2	50.0	8,510.2	50.0		
Oklahoma	14,828.8	7,061.6	47.6	7,777.2	52.4		
Region X:							
Louisiana	3,892.0	1,935.7	49.7	1,956.3	50.3		
New Mexico	561.3	279.9	49.9	281.4	50.1		
Texas	17,827.2	8,913.6	50.0	8,913.6	50.0		
Region XI:							
Arizona	2,347.2	1,154.0	49.2	1,192.3	50.8		
Colorado	13,877.0	5,856.0	42.2	8,021.0	57.8		
Idaho	2,165.4	1,083.2	50.0	1,083.2	50.0		
Montana <sup>5</sup>	2,711.1	1,355.6	50.0	986.5	36.4	369.1	13.6
Utah	3,414.7	1,690.4	49.5	1,212.1	35.5	512.2	15.0
Wyoming	862.8	431.4	50.0	231.5	26.8	199.9	23.2
Region XII:							
California	51,226.0	22,632.0	44.2	14,363.3	28.0	14,230.8	27.8
Nevada	701.5	360.7	50.0	175.4	25.0	175.4	25.0
Oregon	5,070.4	2,535.2	50.0	1,468.3	29.0	1,066.9	21.0
Washington	10,241.9	5,103.7	49.8	5,138.2	50.2		
Territories:							
Alaska	405.7	187.5	46.2	218.2	53.8		
Hawaii	250.9	125.4	50.0	125.5	50.0		

<sup>1</sup> Include obligations incurred or disbursements for direct assistance to recipients, hospitalization, burials, medical care, and assistance in kind. Do not include administrative expenses. These totals cannot be compared with either amount of obligations incurred for payments to recipients or amount of Federal grants to the States.

<sup>2</sup> All amounts are rounded from actual data; therefore, totals differ slightly

from sums of rounded amounts. Percentage distributions are based on actual data.

<sup>3</sup> Distribution by source of funds estimated for part of period.

<sup>4</sup> Addendum to Federal grant for assistance, which may be used for administrative expenses, assistance, or both, was used for assistance.

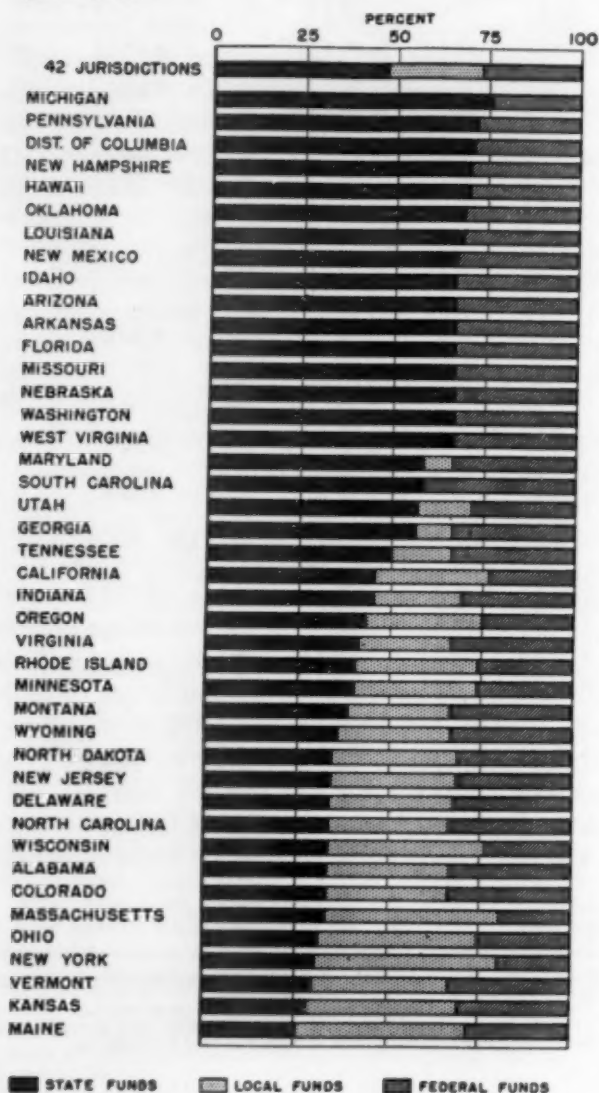


## Changes in Sources of Funds From 1938 to 1939

Total expenditures for payments to recipients of the special types of public assistance in States with approved plans increased from \$498.8 million in 1938 to \$556.8 million in 1939, but the shares of the total provided from Federal, State, and local funds for each program were practically the same in both years.<sup>5</sup> Although in general the amounts expended for assistance in 1939 were

<sup>5</sup> For data relating to 1938, see the *Bulletin*, September 1939, pp. 61-67.

**Chart III.—Percentage distribution of expenditures for aid to dependent children in States with plans approved by the Social Security Board, by source of funds, 1939**



larger than in 1938, in the great majority of the States there were only slight changes in the proportions supplied by the Federal, State, and local governments. The relatively few significant differences in State distributions for 1938 and 1939 reveal, for the most part, a tendency toward increased State and decreased local participation. In some instances these differences were attributable primarily to developments in 1938, which influenced the data on sources of funds for only part of that year but for all of 1939.

### Old-Age Assistance

In 1939 the shares of total payments for old-age assistance supplied from Federal, State, and local funds differed significantly from 1938 in only a small number of States. The few sizable changes in the proportions of total payments provided from State and local funds were almost entirely in the direction of increased State and decreased local participation. These changes, however, affected the State and local shares for all States combined to a negligible degree. In Louisiana local participation was discontinued in July 1938. Idaho eliminated local contributions toward assistance payments in March 1939. In North Dakota, where the State and localities had each paid 25 percent of total assistance costs, the State and local shares were changed in July 1939 to 42.5 and 7.5 percent, respectively. Effective in March 1939, the State share in Oregon became 30 percent and the local share 20 percent; previously the State and local governments had each contributed 25 percent of total payments.

In Indiana a special allocation of State funds, in addition to the usual State grants to the counties, had the effect of decreasing the local share of assistance costs in 1939. The increase in the State share in Kansas probably reflects the fact that a State equalization fund was maintained throughout 1939, but only during the last 10 months of 1938. Increases in the State shares with corresponding declines in the local shares were evident also in Montana and Wyoming. Under the old-age assistance laws of these States, the State must assume the county share of assistance costs when county funds are not available in sufficient amounts. The increase in the State share in New Hampshire is attributable primarily to the fact that the State assumed responsibility for 75 percent of the cost of assistance other than



cash payments; previously such other payments had been made entirely by the localities.

A few significant changes occurred in States in which only Federal and State funds were used to finance old-age assistance in both years. In addition to the Federal share of monthly payments to individual recipients, Federal grants to the States for old-age assistance include an amount equivalent to 5 percent of the total, which may be used either for assistance or for administration. The

increased Federal share in South Carolina from 50.0 percent in 1938 to 54.7 percent in 1939 reflects the accumulation of such 5-percent addendums and their use for assistance payments during 1939. The Federal share in Iowa was slightly in excess of 50.0 percent in 1939 because of the use of part of the 5-percent addendum for assistance. In Ohio the increased Federal share and decreased State share in 1939 are attributable mainly to the fact that the Federal Government

Table 3.—Expenditures <sup>1</sup> for assistance to recipients of aid to dependent children in States with plans approved by the Social Security Board, by source of funds, 1939

[Amounts in thousands; data corrected to May 25, 1940]

Social Security Board region and State	Total	Federal funds		State funds		Local funds	
		Amount	Percent	Amount	Percent	Amount	Percent
Total <sup>1</sup> .....	\$110,744.7	\$29,463.8	26.6	\$52,557.3	47.5	\$28,723.7	25.9
Region I:							
Maine.....	619.3	173.5	28.0	160.0	25.8	285.8	46.2
Massachusetts.....	7,464.7	1,430.7	19.2	2,498.2	33.3	3,545.7	47.5
New Hampshire.....	224.4	66.4	29.6	158.0	70.4	—	—
Rhode Island.....	625.0	162.0	25.9	255.2	40.9	207.7	33.2
Vermont.....	160.0	53.1	33.2	47.6	29.8	59.2	37.0
Region II:							
New York.....	20,954.3	4,154.8	19.8	6,391.8	30.5	10,407.7	49.7
Region III:							
Delaware.....	181.7	88.5	32.2	61.6	33.9	61.6	33.9
New Jersey.....	3,919.5	1,241.6	31.6	1,339.0	34.2	1,339.0	34.2
Pennsylvania.....	10,911.6	3,039.1	27.9	7,572.4	72.1	—	—
Region IV:							
District of Columbia.....	472.8	136.3	28.8	836.6	71.2	—	—
Maryland.....	2,834.8	944.9	33.3	1,669.2	58.8	223.7	7.9
North Carolina.....	1,480.9	493.6	33.3	502.0	33.9	485.2	32.8
Virginia.....	307.9	102.6	33.3	128.3	41.7	77.0	25.0
West Virginia.....	1,709.2	599.4	33.3	1,139.9	66.7	—	—
Region V:							
Michigan <sup>2</sup> .....	6,110.0	1,486.3	24.3	4,587.5	75.1	36.2	.6
Ohio.....	4,917.1	1,248.6	25.4	1,538.5	31.3	2,130.1	43.3
Region VI:							
Indiana.....	5,465.4	1,693.1	31.0	2,480.8	45.4	1,291.4	23.6
Wisconsin.....	5,186.3	1,209.7	23.3	1,754.6	33.8	2,221.9	42.9
Region VII:							
Alabama.....	828.5	275.9	33.3	277.3	33.5	275.3	33.2
Florida.....	674.1	224.7	33.3	449.4	66.7	—	—
Georgia.....	989.6	329.8	33.3	560.8	56.7	99.0	10.0
South Carolina <sup>3</sup> .....	800.2	333.1	41.6	467.1	58.4	—	—
Tennessee.....	2,145.9	715.3	33.3	1,073.0	50.0	357.7	16.7
Region VIII:							
Minnesota.....	3,251.6	852.7	26.2	1,315.0	40.5	1,083.9	33.3
Nebraska.....	1,465.8	488.6	33.3	977.2	66.7	—	—
North Dakota.....	801.4	253.1	31.6	274.7	34.3	273.6	34.1
Region IX:							
Arkansas.....	386.2	136.7	33.3	267.5	69.7	—	—
Kansas.....	1,946.3	592.1	30.4	551.8	28.4	802.4	41.2
Missouri.....	2,398.5	799.5	33.3	1,599.0	66.7	—	—
Oklahoma.....	2,505.0	782.1	31.2	1,722.8	68.8	—	—
Region X:							
Louisiana.....	2,837.5	896.0	31.6	1,941.5	68.4	—	—
New Mexico.....	481.2	142.5	33.1	288.4	60.0	—	—
Region XI:							
Arizona.....	941.5	313.8	33.3	627.6	66.7	—	—
Colorado.....	1,713.5	571.2	33.3	571.2	33.3	571.2	33.3
Idaho.....	857.3	284.8	33.2	572.5	66.8	—	—
Montana <sup>4</sup> .....	693.0	230.9	33.3	270.2	39.0	191.9	27.7
Utah.....	1,286.7	360.8	28.0	732.0	57.0	193.0	15.0
Wyoming.....	255.8	85.3	33.3	92.0	36.0	78.6	30.7
Region XII:							
California.....	6,936.0	1,602.4	23.1	3,171.2	45.7	2,162.4	31.2
Oregon.....	834.9	209.5	25.1	362.7	43.4	262.7	31.5
Washington.....	1,832.0	610.4	33.3	1,221.6	66.7	—	—
Territory:							
Hawaii.....	387.4	115.8	29.9	271.6	70.1	—	—

<sup>1</sup> Include obligations incurred or disbursements for direct assistance to recipients, hospitalization, burials, medical care, and assistance in kind. Do not include administrative expenses. These totals cannot be compared with either amount of obligations incurred for payments to recipients or amount of Federal grants to the States.

<sup>2</sup> All amounts are rounded from actual data; therefore, totals differ slightly

from sums of rounded amounts. Percentage distributions are based on actual data.

<sup>3</sup> Distribution by source of funds estimated for part of period.

<sup>4</sup> Federal grant for one-third of total cost of supplying aid to dependent children was used almost entirely for assistance, and administrative expenses were defrayed almost exclusively from State funds.

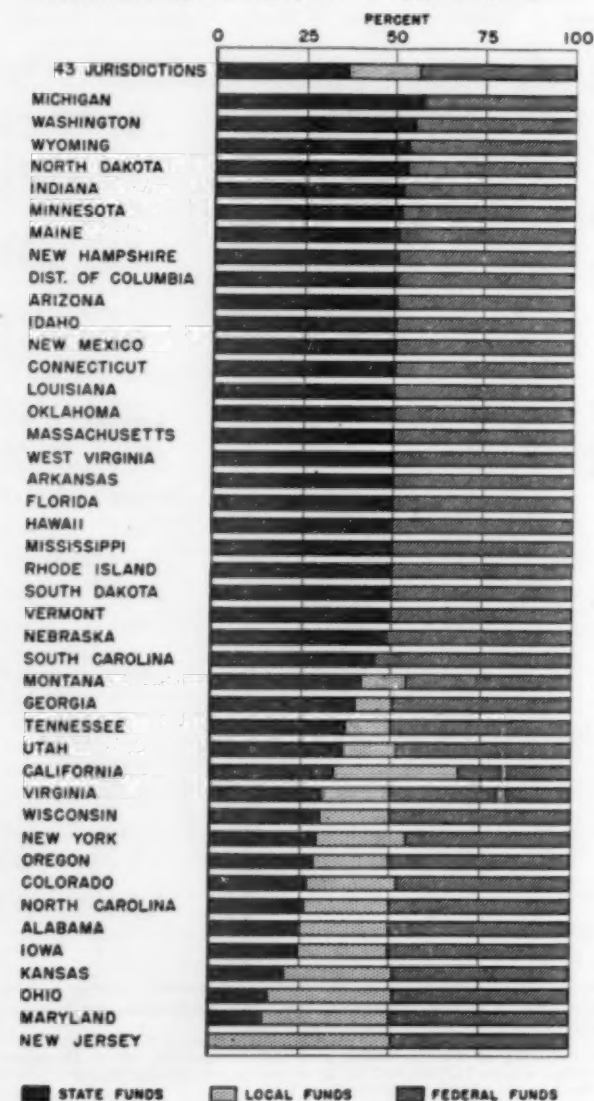


did not participate in payments for old-age assistance in that State in October 1938. The decline in the Federal share in Oklahoma reflects primarily adjustments in Federal grants to take into account payments to individuals which could not be matched under the Social Security Act.

### Aid to Dependent Children

In a large majority of the States the distributions of payments for aid to dependent children by sources of funds were practically the same in both 1938 and 1939. The few significant shifts in the proportions of total payments supplied from

Chart IV.—Percentage distribution of expenditures for aid to the blind in States with plans approved by the Social Security Board, by source of funds, 1939



State and local funds were mainly toward an increase in the State shares. Local participation was eliminated in Louisiana in July 1938 and in Idaho in March 1939. In Vermont, where the State and local shares were previously 16% and 50 percent, respectively, the State and local shares became 33% percent each in April 1939. Effective in March 1939, the State and local proportions in Oregon were changed from one-third each to 40 and 26% percent, respectively. The larger State share and smaller local share in Indiana in 1939 resulted from a special allocation of State funds to the counties in addition to regular State grants. In Kansas additional State funds were available from a State equalization fund during all of 1939, but for only part of 1938 since this fund was not created until March 1938. The State share increased considerably in 1939 in Montana, where the State supplies the county share of assistance costs to the extent that sufficient county funds are not available.

On the other hand, in a few States there were sizable increases in the local share of assistance payments in 1939. In Alabama the State and local shares were normally one-third each, but during part of 1938 the State was able to allocate additional State funds to the counties for aid to dependent children, thereby increasing the State share and decreasing the local share of total payments for that year. In California the proportion of total assistance costs provided from local funds was higher in 1939, because, under the division of responsibility between the State and local governments in effect until October 1939, a rise in the general level of payments tended to increase the local share, and during 1939 payments to families were substantially higher than in 1938. In Ohio the local share was considerably larger than in 1938, and the State share correspondingly smaller, because balances of State funds accumulated by the counties during the early stages of development of the program were nearly exhausted by 1939.

In several States in which no local funds were used in either year, there were sizable shifts in the proportions provided from Federal and State funds. The substantial decline in the Federal share in Pennsylvania in 1939 reflects primarily an upward movement in the general level of assistance payments resulting from the discontinuance of a State policy of limiting monthly payments to



the maximum amounts in which the Federal Government participates. Another factor contributing to the increase in the State share in Pennsylvania was the inauguration of a medical-assistance program in the last quarter of 1938. Inasmuch as expenditures for medical care were not made in the form of direct money payments to recipients, such expenditures were made entirely

from State funds. The Federal share in Oklahoma was smaller in 1939 because of adjustments in Federal grants for payments to recipients that were not matchable under the Social Security Act. The decrease in the Federal share in New Hampshire is attributable to a rise in the volume of payments in excess of the maximums governing Federal participation.

Table 4.—Expenditures <sup>1</sup> for assistance to recipients of aid to the blind in States with plans approved by the Social Security Board, by source of funds, 1939

[Amounts in thousands; data corrected to May 25, 1940]

Social Security Board region and State	Total	Federal funds		State funds		Local funds	
		Amount	Percent	Amount	Percent	Amount	Percent
Total <sup>2</sup> .....	\$12,439.8	\$5,387.5	43.3	\$4,552.3	36.6	\$2,500.0	20.1
Region I:							
Connecticut.....	45.0	22.3	49.6	22.7	50.4		
Maine.....	349.5	170.6	48.8	178.9	51.2		
Massachusetts.....	303.1	151.2	49.9	151.8	50.1		
New Hampshire.....	96.3	42.1	43.8	44.2	45.9		
Rhode Island <sup>3</sup> .....	5.1	2.5	50.0	2.5	50.0		
Vermont <sup>4</sup> .....	36.6	18.3	50.0	18.3	50.0		
Region II:							
New York.....	900.8	363.0	40.3	237.3	26.3	200.5	22.2
Region III:							
New Jersey.....	171.8	85.0	49.4			86.9	50.6
Region IV:							
District of Columbia.....	66.4	32.5	49.0	33.9	51.0		
Maryland.....	165.2	82.3	49.8	24.8	15.0	58.1	35.2
North Carolina.....	344.3	172.1	50.0	90.9	26.4	81.3	23.6
Virginia.....	129.5	64.7	50.0	40.5	31.2	24.3	18.8
West Virginia.....	156.8	78.3	49.9	78.5	50.1		
Region V:							
Michigan <sup>5</sup> .....	214.1	90.6	42.3	123.1	57.5	.4	.2
Ohio.....	932.1	455.1	48.8	151.8	16.3	325.2	34.9
Region VI:							
Indiana.....	614.8	292.2	47.5	322.6	52.5		
Wisconsin.....	539.5	269.0	49.9	164.5	30.5	105.9	19.6
Region VII:							
Alabama.....	55.4	27.7	50.0	13.8	25.0	13.8	25.0
Florida.....	370.3	185.2	50.0	185.2	50.0		
Georgia.....	133.5	66.5	49.8	53.7	40.2	13.4	10.0
Mississippi.....	48.8	24.4	50.0	24.4	50.0		
South Carolina <sup>6</sup> .....	110.5	60.1	54.3	50.5	45.7		
Tennessee.....	228.7	114.4	50.0	85.8	37.5	28.6	12.5
Region VIII:							
Iowa <sup>7</sup> .....	389.5	195.5	50.2	96.5	24.8	97.4	25.0
Minnesota.....	251.0	120.0	47.8	131.0	52.2		
Nebraska <sup>8</sup> .....	141.4	72.8	51.4	67.6	47.8	1.1	.8
North Dakota.....	31.3	14.6	46.5	16.8	53.5		
South Dakota.....	46.6	23.3	50.0	23.3	50.0		
Region IX:							
Arkansas.....	49.2	24.6	50.0	24.6	50.0		
Kansas.....	254.8	124.3	48.8	53.0	20.8	77.5	30.4
Oklahoma.....	380.1	189.0	49.7	191.1	50.3		
Region X:							
Louisiana.....	151.0	75.1	49.7	75.9	50.3		
New Mexico.....	37.2	18.4	49.4	18.8	50.6		
Region XI:							
Arizona.....	97.5	48.0	49.2	49.5	50.8		
Colorado.....	211.2	101.1	47.9	57.3	27.1	52.8	25.0
Idaho.....	74.7	36.8	49.2	38.0	50.8		
Montana <sup>9</sup> .....	38.6	17.6	45.7	16.2	41.9	4.8	12.4
Utah.....	65.4	31.4	48.1	24.1	36.9	9.8	15.0
Wyoming.....	52.2	24.1	46.1	28.2	53.9		
Region XII:							
California.....	3,743.8	1,163.0	31.1	1,291.0	34.5	1,289.8	34.4
Oregon.....	134.5	67.2	50.0	38.9	28.9	28.3	21.1
Washington.....	370.5	165.1	44.6	205.4	55.4		
Territory:							
Hawaii.....	11.4	5.7	50.0	5.7	50.0		

<sup>1</sup> Include obligations incurred or disbursements for direct assistance to recipients, hospitalization, burials, medical care, and assistance in kind. Do not include administrative expenses. These totals cannot be compared with either amount of obligations incurred for payments to recipients or amount of Federal grants to the States.

<sup>2</sup> All amounts are rounded from actual data; therefore, totals differ slightly from sums of rounded amounts. Percentage distributions are based on actual data.

<sup>3</sup> Amounts represent expenditures for last 6 months; first payments under approved plan made for July 1939.

<sup>4</sup> Distribution by source of funds estimated for part of period.

<sup>5</sup> Addendum to Federal grant for assistance, which may be used for administrative expenses, assistance, or both, was used for assistance.

<sup>6</sup> Federal share exceeds 50.0 percent, because it includes State claims for Federal participation in payments made in prior periods.



In South Carolina the Federal share of assistance costs was well above one-third in 1939, because the State used Federal grants for aid to dependent children almost exclusively for assistance payments and defrayed administrative expenses almost entirely from State funds. Prior to 1940, Federal grants to the States for this program were one-third of the total cost of supplying aid to dependent children, not counting amounts by which individual monthly payments exceeded Federal maximums. The somewhat larger Federal share in the District of Columbia in 1939 reflects mainly a reduction in the level of payments following the establishment in July of that year of a maximum limit on the amount of monthly payment to a family.

### *Aid to the Blind*

Significant changes from 1938 to 1939 in the proportions of total payments for aid to the blind provided from Federal, State, and local funds occurred in only a small number of States. As in the program for old-age assistance, the few sizable fluctuations in the shares provided from State and local funds for aid to the blind were almost entirely in the direction of decreased local participation. Local financial participation was discontinued in Louisiana and New Hampshire in July 1938 and in Idaho in March 1939. The local share in Maryland was smaller in 1939 because the State assumed responsibility for 15 percent of total assistance costs beginning in April 1938.<sup>6</sup> In Oregon the State and local shares were changed

<sup>6</sup> This change in Maryland was described incorrectly in the *Bulletin*, September 1939, p. 67, and January 1940, pp. 71-72, as an increase in the State share from 5 to 15 percent. Prior to April 1938, according to State reports, assistance payments were made from Federal and local funds only.

in March 1939 from 25 percent each to 30 and 20 percent, respectively. The local portion in Kansas declined for the reason already discussed in connection with the programs for old-age assistance and aid to dependent children in that State.

In Nebraska local participation was eliminated in April 1939. The increase in the Federal share in Nebraska to more than one-half reflects the disbursement basis on which the data on sources of funds are compiled; as reported by the State, the Federal share for the first quarter of 1939 included claims for Federal participation in payments made in previous periods. In Montana the increase in the State share and the declines in the Federal and local shares are attributable to a rise in expenditures for various services to recipients, which are financed largely by the State and are not matchable with Federal funds. The reduction in the Federal share in North Dakota is accounted for by an increase in the general level of monthly payments and a rise in nonmatchable expenditures for services to recipients. The larger State share in Indiana in 1939 was also attributable to an increase in expenditures for services to recipients and assistance in kind. The Federal proportions for aid to the blind in South Carolina and Iowa were more than one-half in 1939 for the same reasons that the Federal shares for old-age assistance in these States exceeded one-half.

In 1939 Rhode Island was added to the group of States administering aid to the blind under the Social Security Act. Rhode Island's plan, which provides for financing assistance payments from Federal and State funds only, was not approved until January 1940, but Federal funds were made available retroactively to July 1939.



## STATISTICS FOR THE UNITED STATES, MAY 1940

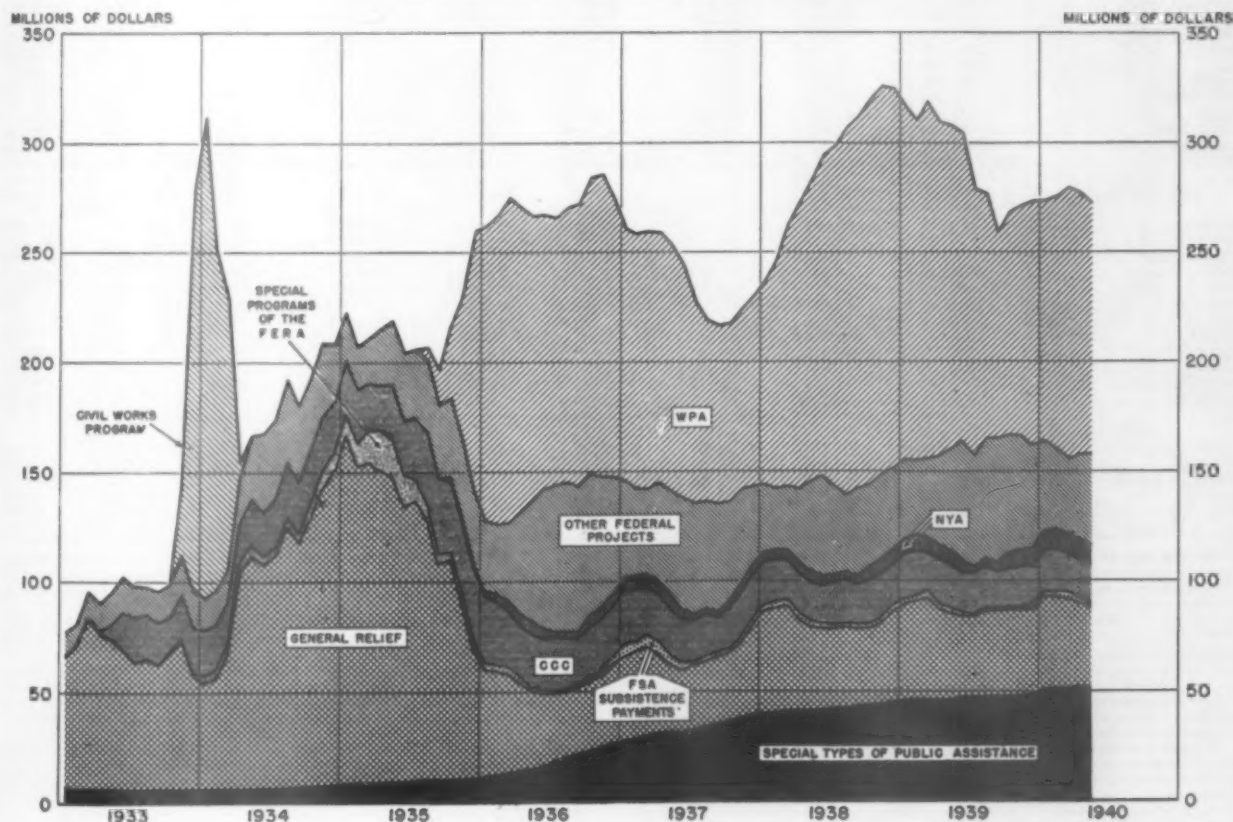
In May, expenditures in the continental United States for payments to recipients of public assistance and earnings of persons employed under Federal work programs totaled \$274.8 million—a decline of 1.7 percent from the April level. Excluded from this aggregate amount are all costs of administering the various programs and of materials, supplies, and equipment incident to the operation of work projects. May payments for assistance and earnings are estimated to have benefited 6.0 million households, which included 17.2 million persons. The estimated numbers of households and persons were 3.3 and 4.3 percent lower, respectively, than in the preceding month.

Further declines in the total amount expended for earnings of persons employed on projects of the Work Projects Administration and in total payments for general relief were the principal factors contributing to the decrease in total assistance and earnings from April to May.

Aggregate earnings on WPA projects moved downward 4.7 percent to \$114.3 million, and the average weekly number of persons employed on these projects declined 7.6 percent to about 2.0 million. Total expenditures for general relief amounted to \$35.4 million—6.5 percent below the amount expended in April for this type of assistance.

Earnings under the out-of-school work program of the National Youth Administration decreased 6.0 percent in May, and the total number of persons employed declined 7.5 percent. The amount spent for earnings of enrollees in the Civilian Conservation Corps—\$17.9 million—was 0.8 percent less than the total for April; the average number of persons enrolled was 0.7 percent smaller in May. Subsistence payments certified by the Farm Security Administration decreased 14.2 percent from April to May, but the total amount expended for such payments

Chart V.—Public assistance and earnings of persons employed under Federal work programs in the continental United States, January 1933–May 1940





comprises a negligible part of total assistance and earnings.

Larger sums were expended in May for earnings of persons employed on Federal work and construction projects other than those of the WPA, NYA, and CCC, for earnings of persons employed under the student work program of the NYA, and for payments to recipients of the special types of public assistance. Total earnings on other Federal work and construction projects rose 9.8 percent to \$44.3 million, and the average weekly number of persons employed on such projects

increased 8.6 percent. Earnings under the student work program of the NYA totaled 1.8 percent more than in April, although the total number of persons employed during May was slightly smaller. Total obligations incurred for payments to recipients of old-age assistance, aid to dependent children, and aid to the blind moved upward 0.3 percent to \$51.8 million.

In May, earnings on WPA projects comprised 41.6 percent of the total expenditure for public assistance and earnings under Federal work programs. Payments to recipients of the special

**Table 5.—Amount of public assistance and earnings of persons employed under Federal work programs in the continental United States, by months, January 1938–May 1940 <sup>1</sup>**

[In thousands]

Year and month	Total	Obligations incurred <sup>2</sup> for—		Subsistence payments certified by the Farm Security Administration <sup>4</sup>	Earnings of persons employed under Federal work programs <sup>4</sup>				
		Special types of public assistance <sup>3</sup>	General relief		Civilian Conservation Corps <sup>6</sup>	National Youth Administration <sup>7</sup>		Work Projects Administration <sup>8</sup>	Other Federal work and construction projects <sup>9</sup>
						Student work program	Out-of-school work program		
1938 total.....	\$3,487,182	\$508,980	\$476,202	\$22,587	\$230,318	\$19,598	\$41,560	\$1,750,836	\$437,101
January.....	237,244	40,103	46,404	2,204	19,940	1,996	2,552	93,060	30,985
February.....	245,819	40,573	47,207	2,473	19,461	2,166	2,688	103,092	28,159
March.....	263,215	41,284	47,471	2,577	18,336	2,203	2,739	119,693	28,912
April.....	273,945	41,478	41,113	2,325	18,311	2,255	2,766	131,419	34,278
May.....	283,620	41,740	37,337	2,156	18,014	2,406	3,075	137,916	40,976
June.....	294,349	41,825	36,747	1,756	17,174	1,550	3,585	146,068	45,644
July.....	298,990	42,422	35,999	1,291	19,848	1,117	3,701	155,709	40,030
August.....	307,208	42,815	36,244	1,117	20,334	6	3,903	167,999	34,790
September.....	312,263	43,264	35,406	1,231	18,767	211	3,930	169,659	39,795
October.....	320,295	43,762	34,934	1,492	20,367	1,980	4,028	176,100	37,632
November.....	325,585	44,368	36,476	1,708	20,514	2,408	4,193	177,229	38,694
December.....	324,651	45,347	40,865	2,262	19,252	2,417	4,400	172,892	37,216
1939 total.....	3,494,496	565,800	481,732	19,050	230,513	22,707	51,538	1,565,224	557,872
January.....	316,273	45,697	43,701	2,391	20,642	2,296	4,347	160,606	36,423
February.....	310,087	46,191	45,028	2,327	20,689	2,457	4,472	154,765	34,158
March.....	318,468	46,369	46,387	2,492	18,103	2,446	4,451	162,596	35,424
April.....	309,348	46,201	41,277	2,242	19,974	2,494	4,318	152,457	40,383
May.....	308,041	46,161	39,237	1,687	20,432	2,494	4,286	147,979	45,765
June.....	304,526	47,080	37,052	1,284	18,637	1,935	3,993	140,597	53,948
July.....	279,112	47,518	36,264	828	19,317	(10)	2,561	122,112	50,512
August.....	276,548	47,756	38,234	1,211	19,372	5	4,145	111,593	54,232
September.....	258,231	47,937	38,647	846	17,097	306	4,222	93,050	56,126
October.....	268,559	47,898	38,699	876	19,308	2,390	4,437	101,986	52,965
November.....	271,760	48,259	38,277	1,156	19,321	2,932	4,864	105,589	51,342
December.....	273,541	48,592	38,728	1,710	17,621	2,962	5,442	111,894	46,592
1940									
January.....	270,512	50,679	42,598	1,992	19,426	2,852	5,816	109,759	37,390
February.....	274,083	51,184	41,494	2,309	19,605	3,114	6,138	115,032	35,207
March.....	280,515	51,231	40,218	2,805	17,479	3,261	6,251	124,363	34,907
April.....	279,526	51,581	37,812	2,500	18,051	3,361	5,911	119,958	40,352
May.....	274,788	51,753	35,358	2,144	17,908	3,423	5,554	114,346	41,202

<sup>1</sup> See the *Bulletin*, February 1940, pp. 52–53, for information for 1933–37. Figures exclude cost of administration and of materials, equipment, and other items incident to operation of work programs. Figures are partly estimated and subject to revision.

<sup>2</sup> Beginning January 1940, include cost of hospitalization and burials.

<sup>3</sup> Payments to recipients from Federal, State, and local funds for programs administered under State plans approved by the Social Security Board, and from State and local funds for programs administered under State laws without Federal participation.

<sup>4</sup> Figures from the FSA; represent net amount of emergency grant vouchers certified to cases and value of commodities purchased by the FSA and distributed during month.

<sup>5</sup> Figures include earnings of persons certified as in need of relief and earnings of all other persons employed on work and construction projects financed in whole or in part from Federal funds. Figures for the CCC include earnings of enrolled persons only.

<sup>6</sup> Figures estimated by the CCC by multiplying average monthly number of persons enrolled by average of \$70 for each month through June 1939, \$67

for July–October, and \$66.25 for subsequent months. This average amount is based on amount of obligations incurred for cash allowances and for clothing, shelter, subsistence, and medical care of persons enrolled, and for certain other items.

<sup>7</sup> Figures for January 1938–June 1939 from the WPA, Division of Statistics, for subsequent months from the NYA; represent earnings during all pay-roll periods ended during month.

<sup>8</sup> Figures from the WPA, Division of Statistics; represent earnings of persons employed on projects operated by the WPA and, for July 1938 and subsequent months, earnings of persons employed on Federal agency projects financed by transfer of WPA funds; cover all pay-roll periods ended during month.

<sup>9</sup> Figures from the Bureau of Labor Statistics, Division of Construction and Public Employment; represent earnings on other work and construction projects financed in whole or in part from Federal funds and cover all pay-roll periods ended during monthly period ended on 15th of specified month.

<sup>10</sup> Less than \$500.



types of public assistance accounted for the second largest share—18.8 percent. Earnings on other Federal work and construction projects represented 16.1 percent of the total, and general relief payments 12.9 percent. Expenditures for earnings of CCC enrollees, earnings under the work programs of the NYA, and subsistence payments by the FSA together comprised 10.6 percent of the total.

Total payments for assistance and earnings in May 1940 amounted to 10.8 percent less than the total expenditure for May 1939. This decline

reflects mainly a reduction of 22.7 percent in the total amount earned on WPA projects, but decreases had occurred also in the amounts spent for earnings on other Federal work and construction projects, earnings of persons enrolled in the CCC, and general relief payments. Expenditures for the special types of public assistance, earnings under each of the work programs of the NYA, and subsistence payments by the FSA were greater in May of this year.

Chart VI presents an index of total income payments in the continental United States for the

**Table 6.—Recipients of public assistance and persons employed under Federal work programs in the continental United States, by months, January 1938–May 1940<sup>1</sup>**

[In thousands]

Year and month	Estimated unduplicated total <sup>2</sup>		Recipients of special types of public assistance <sup>3</sup>				Cases receiving general relief <sup>4</sup>	Cases for which subsistence payments were certified by the Farm Security Administration <sup>5</sup>	Persons employed under Federal work programs <sup>6</sup>				
	Households	Persons in these households	Old-age assistance	Aid to dependent children		Aid to the blind			Civilian Conservation Corps <sup>7</sup>	National Youth Administration <sup>8</sup>		Work Projects Administration <sup>9</sup>	Other Federal work and construction projects <sup>10</sup>
				Families	Children					Student work program	Out-of-school work program		
1938													
January.....	5,771	17,506	1,600	234	578	57	1,893	108	285	310	146	1,801	334
February.....	6,089	18,638	1,623	241	595	59	1,996	119	278	320	152	2,001	316
March.....	6,480	19,967	1,646	247	610	60	1,994	126	262	327	155	2,319	337
April.....	6,578	20,357	1,662	252	622	60	1,815	117	262	334	159	2,538	391
May.....	6,686	20,685	1,677	256	630	62	1,696	112	257	329	179	2,638	487
June.....	6,684	20,774	1,657	258	638	62	1,648	93	245	219	209	2,741	541
July.....	6,637	20,685	1,707	260	640	63	1,610	70	284	215	215	2,996	460
August.....	6,772	21,192	1,716	265	651	64	1,581	62	290	2	219	3,122	338
September.....	6,812	21,217	1,731	268	659	65	1,526	60	298	49	221	3,209	365
October.....	7,076	21,760	1,746	271	664	65	1,497	79	291	322	220	3,282	377
November.....	7,162	21,964	1,762	274	672	66	1,518	89	293	364	230	3,330	377
December.....	7,156	21,892	1,776	280	684	67	1,631	115	275	372	240	3,186	369
1939													
January.....	7,131	21,740	1,787	287	700	67	1,772	126	295	372	237	3,016	352
February.....	7,170	21,759	1,799	296	717	67	1,844	123	296	382	242	2,990	342
March.....	7,177	21,739	1,813	298	720	67	1,851	127	259	380	236	3,004	350
April.....	6,987	20,986	1,830	296	714	68	1,724	114	285	384	228	2,786	392
May.....	6,806	20,233	1,832	299	721	68	1,644	87	292	372	225	2,638	439
June.....	6,605	19,487	1,842	311	748	68	1,568	69	266	280	214	2,670	488
July.....	6,251	18,466	1,858	312	750	69	1,540	46	288	(11)	207	2,279	491
August.....	6,032	17,627	1,871	312	750	69	1,583	72	280	1	211	1,967	496
September.....	5,767	16,492	1,884	313	752	69	1,671	50	255	70	225	1,715	492
October.....	5,999	16,969	1,894	313	752	69	1,633	80	288	262	238	1,867	475
November.....	6,098	17,283	1,903	313	752	69	1,565	65	292	428	261	1,946	452
December.....	6,183	17,695	1,908	315	759	70	1,563	97	266	434	296	2,109	403
1940													
January.....	6,378	18,436	1,924	325	783	70	1,689	107	293	437	322	2,203	319
February.....	6,451	18,716	1,929	329	792	70	1,687	115	296	456	336	2,293	295
March.....	6,431	18,638	1,935	334	804	71	1,630	119	264	472	335	2,294	306
April.....	6,247	17,941	1,944	339	814	71	1,546	86	272	480	330	2,125	339
May.....	6,042	17,174	1,957	342	822	71	1,460	71	270	476	296	1,963	365

<sup>1</sup> See the *Bulletin*, February 1940, pp. 54–55, for information for 1933–37. Figures exclude administrative employees. Figures are partly estimated and subject to revision.

<sup>2</sup> Estimated by the Work Projects Administration and the Social Security Board.

<sup>3</sup> Includes recipients assisted from Federal, State, and local funds for programs administered under State plans approved by the Social Security Board, and from State and local funds for programs administered under State laws without Federal participation. Beginning January 1940, includes cases receiving hospitalization and/or burial only.

<sup>4</sup> Beginning January 1940, includes cases receiving hospitalization and/or burial only.

<sup>5</sup> Figures from the FSA; represent net number of emergency grant vouchers certified to cases and number of cases receiving commodities purchased by the FSA and distributed during month. Ordinarily only 1 grant voucher per case is certified per month.

<sup>6</sup> Figures include persons certified as in need of relief and all other persons

employed on work and construction projects financed in whole or in part from Federal funds. Figures for the CCC include enrolled persons only.

<sup>7</sup> Figures are averages computed by the CCC from reports on number of persons enrolled on 10th, 20th, and last day of each month except for the Indian Division, for which averages are computed from daily reports.

<sup>8</sup> Figures for January 1938–June 1939 from the WPA, Division of Statistics, for subsequent months from the NYA; represent number of different persons employed during month.

<sup>9</sup> Figures from the WPA, Division of Statistics; represent average weekly number of persons employed during month on projects operated by the WPA and, for July 1938 and subsequent months, persons employed on Federal agency projects financed by transfer of WPA funds.

<sup>10</sup> Figures from the Bureau of Labor Statistics, Division of Construction and Public Employment; represent average weekly number of persons employed on other work and construction projects financed in whole or in part from Federal funds during monthly period ended on 15th of specified month.

<sup>11</sup> Less than 500 persons.



period January 1929–May 1940. This index shows the relative magnitude of different kinds of income payments, including payments for direct relief and work relief.

### General Relief

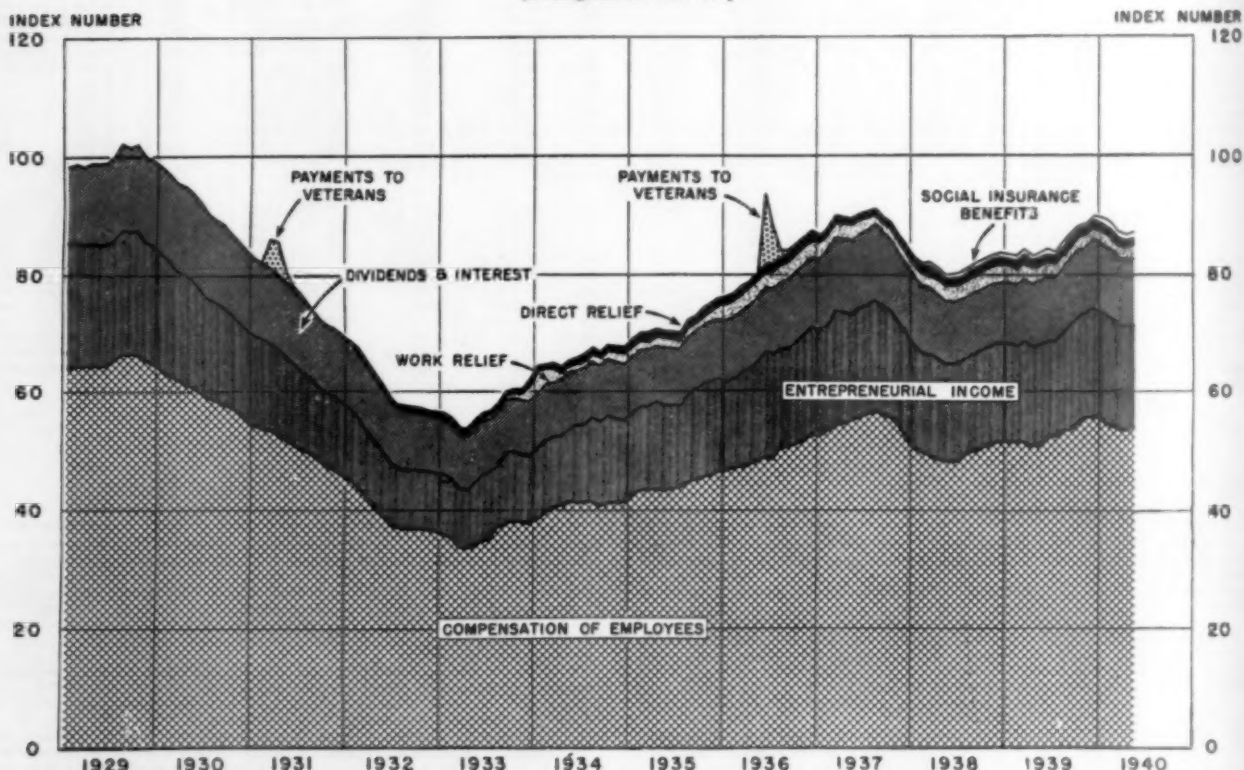
During May a total of \$35.4 million was expended in the continental United States for assistance payments to somewhat less than 1.5 million general relief cases. Estimated data for 7 States are included in these totals. The aggregate expenditure in May was less than in any month since October 1938, and the total number of cases was the smallest recorded since November 1937. Payments for general relief are financed by the State and/or local governments without Federal participation and include assistance in cash and in kind and expenditures for supplying medical care, hospitalization, and burials to recipients. The data on payments exclude all costs of administering general relief and of special programs operated with general relief funds.

For the group of 42 States submitting complete reports for both April and May, the total number of cases assisted was 5.8 percent smaller in the latter month, and the total amount of obligations incurred for payments was 6.7 percent lower. The number of cases receiving relief declined from April to May in 33 of these States, and the total amount spent for assistance decreased in 35 States. Declines of 10 percent or more in the number of cases aided were recorded for Delaware, Iowa, Michigan, Ohio, Vermont, Virginia, and Wyoming. Decreases of 10 percent or more in total assistance payments occurred in Delaware, Indiana, Iowa, Maine, Michigan, Minnesota, Nebraska, New Mexico, Ohio, Vermont, Virginia, Washington, and Wyoming. The largest percentage decline in the number of cases—30.9 percent—was reported by Delaware, and the largest relative decrease in expenditures for assistance—18.0 percent—occurred in Vermont.

The largest percentage increase in the number of cases receiving relief from April to May—8.3 percent—was recorded for Florida. Utah reported

Chart VI.—Index of income payments in the continental United States, January 1929–May 1940<sup>1</sup>

[Average month 1929=100]



<sup>1</sup> Compensation of employees, entrepreneurial income, and dividends and interest adjusted for seasonal variation.  
Source: U. S. Department of Commerce, National Income Division.



the largest relative upward change in total obligations—8.2 percent.

Data on total payments in May 1939 and May 1940 are available on a comparable basis for 36

States. In 18 of these States smaller amounts were spent for general relief in May 1940, and in the same number of States total payments were above the levels recorded for May a year ago.

Table 7.—General relief in the continental United States, by States, May 1940<sup>1</sup>

[Data reported by State agencies, corrected to June 25, 1940]

State	Number of cases receiving relief	Amount of obligations incurred for relief <sup>2</sup>	Average amount per case	Percentage change from—			
				April 1940 in—		May 1939 in—	
				Number of cases	Amount of obligations	Number of cases	Amount of obligations
Total for continental United States <sup>3</sup>	1,460,000	\$35,358,000					
Total for 42 States reporting adequate data	1,401,705	34,541,098	\$24.64				
Alabama	2,458	23,415	9.53	-5.8	-6.7		
Arizona	3,494	49,109	14.06				
Arkansas	3,750	18,400	4.91				
California	121,185	3,400,720	28.06				
Colorado	13,640	215,082	15.77				
Connecticut	20,300	575,444	28.35				
Delaware	1,228	26,833	21.85				
District of Columbia	2,132	53,620	25.15				
Florida	9,679	59,839	6.18				
Georgia	6,852	42,447	6.19				
Idaho	2,256	32,868	14.57				
Illinois	180,371	3,770,178	25.07				
Indiana	44,950	622,356	13.85				
Iowa	29,212	516,511	17.68				
Kansas	20,629	328,791	15.94				
Louisiana	9,611	140,883	14.66				
Maine	10,784	279,562	25.92				
Maryland	8,974	188,710	21.03				
Massachusetts	71,420	1,988,742	27.85				
Michigan	61,545	1,285,868	20.89				
Minnesota	38,570	842,896	21.85				
Mississippi	1,150	8,216	7.14				
Missouri	23,979	284,007	11.84				
Montana	4,890	85,274	17.41				
Nebraska	10,480	137,378	13.11				
Nevada	824	15,159	18.40				
New Jersey	49,954	1,152,980	23.08				
New Mexico	2,171	18,353	8.45				
New York	257,706	8,939,713	34.77				
North Carolina	6,705	44,076	6.57				
North Dakota	5,230	94,739	18.15				
Ohio	93,622	1,515,425	16.22				
Oregon	10,888	179,170	16.46				
Pennsylvania	201,170	5,779,580	28.73				
South Carolina	2,117	19,260	9.10				
Utah	5,693	120,867	21.23				
Vermont	2,686	55,250	20.94				
Virginia	7,829	80,786	10.32				
Washington	13,426	182,686	13.63				
West Virginia	17,289	196,219	11.35				
Wisconsin	49,364	1,117,115	22.63				
Wyoming	1,493	28,889	19.35				
Total for 7 States for which figures are estimated <sup>4</sup>	58,200	816,000					
Kentucky	4,600	44,000					
New Hampshire	7,500	165,000					
Oklahoma	13,000	62,000					
Rhode Island	10,800	325,000					
South Dakota	5,600	96,000					
Tennessee	4,100	23,000					
Texas	12,600	101,000					

<sup>1</sup> These data differ from those published prior to January 1940, because they include cases receiving hospitalization and/or burial only and total obligations incurred for these services, in addition to cases receiving money payments, assistance in kind, and medical care, and obligations incurred for such assistance.

<sup>2</sup> From State and local funds. Excludes cost of administration; of materials, equipment, and other items incident to operation of work-relief programs; and of special programs.

<sup>3</sup> Partly estimated.

<sup>4</sup> Does not include payments for hospitalization and burials amounting to

\$17,100, because number of cases receiving these services only is not available.

<sup>5</sup> Not computed, because comparable data are not available.

<sup>6</sup> Not computed, because of change in reporting procedure.

<sup>7</sup> Does not include payments for medical care, hospitalization, and burials amounting to \$40,702, because number of cases receiving these services only is not available.

<sup>8</sup> Estimated by State agencies for all States except Kentucky, Oklahoma, and Rhode Island, for which estimates were made by the Social Security Board.



For the States with smaller total expenditures in May of this year, the declines ranged from 0.7 percent to 31.9 percent; in California, Delaware, Illinois, Michigan, Minnesota, Missouri, New Jersey, New York, Pennsylvania, South Carolina, Vermont, Virginia, and Wyoming the decreases from May 1939 were 10 percent or more. In the 18 States in which the total amounts spent for relief were larger in May 1940, the increases ranged from 1.5 to 38.0 percent; total payments were more than 10 percent higher than in May 1939 in Alabama, Arizona, the District of Columbia, Florida, Georgia, Idaho, Louisiana, Nevada, North Carolina, Utah, and Washington.

### Special Types of Public Assistance

Obligations incurred for May payments to recipients of old-age assistance, aid to dependent children, and aid to the blind in the 48 States, the

District of Columbia, Alaska, and Hawaii totaled \$51.9 million. Included in this aggregate sum are payments made under State plans approved by the Social Security Board and payments made under State laws without financial participation by the Federal Government. Excluded from the data on payments are all costs of administering the programs.

Practically all the total amount spent for the special types of public assistance in May was accounted for by States administering these types of assistance under the Social Security Act. Obligations incurred for May payments in States with plans approved by the Social Security Board totaled \$50.8 million. Of this sum, \$39.1 million was comprised of payments to nearly 2.0 million recipients of old-age assistance, \$10.6 million represented payments to 329,000 families for the assistance of 793,000 dependent children, and \$1.1

**Table 8.—Special types of public assistance in States with plans approved by the Social Security Board, by months, January 1938–May 1940<sup>1</sup>**

[Data reported by State agencies, corrected to June 15, 1940]

Year and month	Number of recipients				Amount of obligations incurred for payments to recipients <sup>2</sup>			
	Old-age assist- ance	Aid to dependent children <sup>3</sup>		Aid to the blind	Total	Old-age assist- ance	Aid to depend- ent children <sup>3</sup>	Aid to the blind
		Families	Children					
<b>1938 total</b>					<b>\$494,797,218</b>	<b>\$390,402,054</b>	<b>\$93,427,924</b>	<b>\$10,967,240</b>
January	1,602,025	218,009	541,224	33,595	39,050,567	31,227,485	7,014,662	808,420
February	1,625,339	224,737	557,613	35,149	39,510,592	31,443,867	7,222,237	844,496
March	1,648,306	231,001	572,582	36,393	40,217,107	31,821,575	7,524,472	871,090
April	1,664,541	236,241	585,190	37,218	40,522,133	32,115,423	7,530,714	875,996
May	1,680,051	240,079	594,024	38,131	40,787,565	32,364,745	7,540,168	882,652
June	1,699,295	243,422	603,335	38,783	40,872,494	32,323,431	7,644,607	904,456
July	1,709,812	244,712	606,164	39,596	41,475,321	32,875,578	7,671,460	928,283
August	1,719,124	231,743	620,181	40,195	41,886,379	32,965,264	7,978,814	942,301
September	1,733,999	254,839	628,755	41,002	42,336,545	33,309,172	8,071,316	956,057
October	1,638,457	257,415	633,703	41,449	40,287,138	31,131,171	8,188,402	967,565
November	1,764,569	261,115	641,681	42,256	43,438,019	34,031,996	8,422,218	983,806
December	1,779,292	266,222	654,260	42,938	44,413,358	34,792,347	8,618,854	1,002,157
<b>1939 total</b>					<b>554,771,850</b>	<b>431,130,053</b>	<b>111,191,000</b>	<b>12,450,797</b>
January	1,790,055	273,688	670,046	43,355	44,969,281	35,058,634	8,900,364	1,010,283
February	1,802,296	282,108	686,532	43,740	45,260,698	35,173,297	9,067,631	1,019,779
March	1,815,913	284,262	689,946	43,968	45,440,042	35,242,039	9,173,347	1,024,686
April	1,832,587	282,009	683,888	44,240	45,281,113	35,354,391	8,899,963	1,028,739
May	1,835,216	285,692	691,663	44,161	45,214,848	35,253,819	8,968,947	1,022,082
June	1,845,040	297,344	717,990	44,579	46,166,438	35,852,758	9,278,766	1,034,914
July	1,860,550	298,627	720,135	44,897	46,601,353	36,240,775	9,325,066	1,035,512
August	1,874,090	298,915	720,461	45,255	46,824,079	36,431,580	9,349,310	1,043,199
September	1,887,459	299,707	722,217	45,306	47,014,370	36,565,702	9,402,706	1,045,962
October	1,896,535	300,025	722,040	45,444	46,971,749	36,390,582	9,528,651	1,052,516
November	1,905,968	299,995	722,968	45,698	47,334,810	36,681,658	9,590,850	1,062,302
December	1,911,330	301,823	730,195	45,861	47,663,069	36,884,818	9,705,399	1,072,632
<b>1940</b>								
January	1,926,656	311,845	753,847	46,100	49,746,410	38,582,749	10,079,429	1,084,283
February	1,932,466	315,868	763,315	46,320	50,257,930	38,953,316	10,214,709	1,089,905
March	1,938,411	320,718	774,686	46,547	50,303,571	38,785,010	10,421,793	1,096,798
April	1,947,538	325,341	784,864	46,889	50,657,181	39,004,632	10,547,665	1,104,884
May	1,959,916	329,223	793,279	47,191	50,831,844	39,122,313	10,597,973	1,111,588

<sup>1</sup> See the *Bulletin*, July 1939, p. 52, for information for February 1936–December 1937. Figures include recipients assisted from Federal, State, and local funds for programs administered under State plans approved by the Social Security Board and recipients assisted from State and local funds only for programs under State laws without Federal participation administered concurrently with a similar program under an approved plan.

<sup>2</sup> Includes estimates for Hawaii for January–May 1939.  
<sup>3</sup> From Federal, State, and local funds; excludes cost of administration and, prior to January 1940, of hospitalization and burials.



million consisted of payments to 47,200 recipients of aid to the blind.

Slightly more than \$1 million was expended in May for payments to blind persons and to families

with dependent children in States in which programs for these groups are operated without Federal financial participation. Payments to 24,200 blind persons in Illinois, Missouri, Nevada,

Table 9.—Old-age assistance in States with plans approved by the Social Security Board, by States, May 1940

[Data reported by State agencies, corrected to June 15, 1940]

Social Security Board region and State	Number of recipients	Amount of obligations incurred for payments to recipients <sup>1</sup>	Average amount per recipient	Percentage change from—				Number of recipients per 1,000 estimated population 65 years and over <sup>2</sup>
				April 1946 in—		May 1939 in—		
				Number of recipients	Amount of obligations	Number of recipients	Amount of obligations	
Total.....	1,959,916	\$39,122,313	\$19.96	+0.6	+0.3	+6.8	+10.0	<sup>3</sup> 247
Region I:								
Connecticut.....	17,035	474,082	27.83	+3	+3.9	+9.9	+12.8	146
Maine.....	14,018	298,813	21.32	( <sup>4</sup> )	-9	+16.9	+18.4	163
Massachusetts.....	85,393	2,441,440	28.59	+1.5	-2	+8.8	+10.2	259
New Hampshire.....	5,641	122,922	21.79	+3.3	+3.3	+31.0	+18.0	106
Rhode Island.....	6,732	130,793	19.43	( <sup>5</sup> )	+2	+4.7	+7.5	150
Vermont.....	5,572	94,105	16.80	+1	+1.8	-2.6	+4.7	143
Region II:								
New York.....	118,550	3,062,052	25.83	+6	-5	+7.5	+13.8	150
Region III:								
Delaware.....	2,685	30,364	11.31	+2.3	+3.5	-3	+2.5	128
New Jersey.....	31,035	639,959	20.62	( <sup>6</sup> )	-3	+7.8	+12.4	124
Pennsylvania.....	97,330	2,148,025	22.07	+1.0	+9	+16.4	+45.0	157
Region IV:								
District of Columbia.....	3,344	84,991	25.42	+1.0	+5	+2.1	-2	80
Maryland.....	18,412	324,312	17.61	-2	-6	+3.7	+3.7	170
North Carolina.....	35,566	359,005	10.09	+6	+7	+9.4	+15.4	255
Virginia.....	17,205	168,491	9.79	+1.4	+1.6	+32.0	+34.0	113
West Virginia.....	17,578	236,349	13.45	+1.0	+2.2	-2.9	-4.7	224
Region V:								
Kentucky.....	47,838	416,443	8.71	+4.4	+5.0	+6.3	+6.8	259
Michigan.....	73,774	1,246,181	16.89	-5	-1.0	-9.9	-9.7	253
Ohio.....	122,980	2,853,700	23.20	-5	-1.1	+7.5	+7.6	255
Region VI:								
Illinois.....	138,042	2,875,855	20.83	-2	+5	+5.2	+13.1	276
Indiana.....	66,147	1,191,597	18.01	+1	+2	+5.4	+9.1	229
Wisconsin.....	51,222	1,149,147	22.43	+6	+1.0	+11.1	+15.9	233
Region VII:								
Alabama.....	19,768	184,483	9.33	+1.2	+2	+19.8	+20.0	179
Florida.....	34,896	416,849	11.95	+3	+8	-7.8	-20.3	367
Georgia.....	27,924	223,586	8.01	+7	+8	+26.0	+24.0	213
Mississippi.....	20,995	170,283	8.11	+5.2	+10.4	+6.4	+18.3	245
South Carolina.....	19,617	159,304	8.12	+1.5	+2.5	-20.0	-16.8	317
Tennessee.....	40,285	405,814	10.07	+4	+4	+88.4	+43.6	308
Region VIII:								
Iowa.....	54,692	1,133,740	20.73	+3	+1	+5.7	+8.2	250
Minnesota.....	62,882	1,332,437	21.19	-1	-9	-5.3	-3.0	322
Nebraska.....	27,649	455,018	16.46	+8	+9	+1.9	+8.8	282
North Dakota.....	8,810	149,678	16.99	+3	-3	+8.6	+4.2	245
South Dakota.....	14,728	289,664	19.67	+8	+1.3	-8.0	-2.8	351
Region IX:								
Arkansas.....	18,193	110,113	6.05	( <sup>7</sup> )	-2	+8.8	+8.8	225
Kansas.....	26,929	535,111	19.88	+1.1	-1.6	( <sup>8</sup> )	( <sup>9</sup> )	231
Missouri.....	88,522	1,435,645	16.22	+2.8	+2.1	+17.9	+2.2	284
Oklahoma.....	72,065	1,275,371	17.70	+8	+1.0	+8.5	+8.0	606
Region X:								
Louisiana.....	31,718	377,586	11.90	+6	+1.1	+6.3	+20.2	391
New Mexico.....	4,538	66,309	14.61	+2.8	+4.1	+16.4	+44.7	302
Texas.....	118,409	1,185,301	10.01	-1	+3.2	+1.4	-27.9	415
Region XI:								
Arizona.....	8,050	221,947	27.57	+7	+3	+12.2	+16.4	474
Colorado.....	140,885	1,134,716	27.75	+5	-6.1	+5.6	+11.0	505
Idaho.....	8,902	194,791	21.91	+6	+1.0	+5.4	+7.9	333
Montana.....	12,165	219,624	18.05	-1	-1	-5	+5.7	392
Utah.....	13,689	290,679	21.23	-3	( <sup>10</sup> )	+6	+2.8	507
Wyoming.....	3,398	80,501	23.69	+3	+5	+7.8	+16.5	342
Region XII:								
California.....	140,261	5,328,528	37.99	+1.1	+1.0	+7.2	+25.4	305
Nevada.....	2,267	60,216	26.56	-3	-3	+3.9	+4.1	379
Oregon.....	19,435	415,534	21.38	-1.4	-1.3	-1	( <sup>11</sup> )	231
Washington.....	38,982	859,176	22.04	( <sup>12</sup> )	-2	+3	-5	312
Territories:								
Alaska.....	1,431	40,257	28.13	+1.9	+2.3	+18.4	+20.7	358
Hawaii.....	1,751	21,426	12.24	+1.3	+3.8	-1.2	-4.6	179

<sup>1</sup> From Federal, State, and local funds; excludes cost of administration.

<sup>2</sup> Population as of July 1, 1939, estimated with advice of the U. S. Bureau of the Census.

<sup>3</sup> Adjustments have been made for grants covering 2 or more eligible individuals for Alabama, Arkansas, Georgia, Idaho, Kansas, Louisiana, Maryland, Mississippi, New Mexico, North Carolina, South Carolina, Tennessee, West Virginia, Wyoming, and Hawaii.

<sup>4</sup> Decrease of less than 0.1 percent.

<sup>5</sup> Increase of less than 0.1 percent.

<sup>6</sup> Not computed, because of change in reporting procedure.

<sup>7</sup> Includes \$97,400 incurred for direct payments to 3,542 persons 60 but under 65 years of age. Rate per 1,000 excludes these recipients.



and Pennsylvania amounted to \$682,000. The balance—\$341,000—was received by 14,300 families in behalf of 32,900 dependent children in Connecticut, Illinois, Iowa, Kentucky, Mississippi, Nevada, South Dakota, and Texas.

In May total obligations incurred for the special types of public assistance in all jurisdictions were only 0.3 percent higher than in April. Compared with the amount spent in May 1939, however, total payments in May of this year were greater by \$5.3 million or 11.3 percent. Total payments under the program for aid to dependent children showed the largest relative expansion, with a gain of 17.4 percent. Obligations incurred for old-age assistance totaled 10.0 percent more in May 1940, and expenditures for aid to the blind were 6.1 percent larger than a year earlier.

#### *Old-Age Assistance*

From April to May the total number of recipients of old-age assistance in the 51 jurisdictions with plans approved by the Social Security Board increased 0.6 percent, and the total amount of obligations incurred for payments to these recipients rose 0.3 percent. With a few exceptions, the States reported slight percentage changes in both the number of recipients and total payments.

Mississippi reported the largest relative increases from April—5.2 percent in the number aided and 10.4 percent in total expenditures for assistance. The upward changes in Mississippi were attributable partly to the transfer of Confederate pensioners to the program for old-age assistance and partly to the fact that additional State funds in the form of accrued balances were available for assistance in May and June, which were the final months of a biennial fiscal period. The number receiving assistance in Kentucky was 4.4 percent higher in May than in April, and total obligations were 5.0 percent larger. In New Hampshire, where the age limit for old-age assistance was lowered from 70 to 65 years at the beginning of this year, the program continued to expand in May, with increases of 3.3 percent in both the number of recipients and total payments.

New Mexico reported upward changes of 2.8 percent in the number on the rolls and 4.1 percent in the total amount expended for assistance. In Delaware a rise of 2.3 percent in the number benefited was accompanied by an increase of 3.5

percent in total obligations. Total payments in Hawaii were 3.8 percent higher in May, although the number of persons assisted increased only 1.3 percent. Expenditures for assistance increased 3.9 percent in Connecticut and 3.2 percent in Texas, whereas the number of recipients was practically unchanged in both States. In Connecticut, payments for old-age assistance are made weekly, and as a result of this practice monthly payments to recipients vary somewhat with the length of the month. The increase in total payments in that State from April to May therefore reflects mainly the additional day in the latter month.

Colorado was the only State reporting a sizable percentage decline in either recipients or payments in May. The total amount of obligations incurred for payments to recipients in Colorado was 6.1 percent lower than in April, although the number on the rolls was slightly higher.

All 51 jurisdictions making payments under plans approved by the Social Security Board in May 1940 also administered old-age assistance under the Social Security Act in May 1939. As compared with May 1939, the total number of recipients in May of this year was 6.8 percent larger and the total amount of obligations incurred was 10.0 percent greater. Total payments increased to a much greater extent in a number of the States. In Alabama, Alaska, California, Georgia, Louisiana, New Mexico, Pennsylvania, Tennessee, and Virginia, total expenditures for assistance were at least 20 percent above the levels recorded for May 1939.

#### *Aid to Dependent Children*

The total numbers of families and children receiving aid to dependent children in the 42 jurisdictions with approved plans moved upward 1.2 and 1.1 percent, respectively, from April to May, and the total sum expended for payments to these recipients rose 0.5 percent. Small percentage changes in both the numbers aided and total obligations incurred for assistance were recorded for practically all States.

The largest relative increases occurred in Virginia, where the number of families on the rolls and total payments were each 9.5 percent greater than in April, and the number of children benefiting was 7.6 percent larger. In New Mexico there were upward changes in the numbers of families



and children of 3.7 and 5.0 percent, respectively, and a rise of 3.6 percent in total expenditures for assistance. Vermont reported increases of 3.4 percent in the number of families, 2.4 percent in the number of children, and 4.2 percent in the total amount of obligations incurred.

In Pennsylvania the numbers of families and children receiving aid to dependent children were 3.1 and 3.0 percent higher, respectively, in May than in April, and total payments to these recipients were 3.2 percent greater; approximately 90 percent of the families added to the rolls in May

Table 10.—Aid to dependent children in States with plans approved by the Social Security Board, by States, May 1940

[Data reported by State agencies, corrected to June 15, 1940]

Social Security Board region and State	Number of recipients		Amount of obligations incurred for payments to recipients <sup>1</sup>	Average amount per family	Percentage change from—						Number of recipients per 1,000 estimated population under 16 years <sup>2</sup>
					April 1940 in—			May 1939 in—			
					Number of recipients		Amount of obligations	Number of recipients		Amount of obligations	
	Families	Children			Families	Children					
Total.....	329, 223	793, 279	\$10, 597, 973	\$32.19	+1.2	+1.1	+0.5	+15.2	+14.7	+13.1	27
Region I:											
Maine.....	1, 488	3, 757	57, 467	38.62	+2.3	+2.4	+2.8	+12.0	+11.3	+15.3	16
Massachusetts.....	11, 994	30, 353	690, 914	57.60	+1.8	+1.6	— .5	+16.0	+23.0	+7.7	27
New Hampshire.....	684	1, 753	29, 584	43.25	+2.4	+2.1	+3.5	+72.3	+66.8	+56.9	13
Rhode Island.....	1, 189	3, 208	54, 400	45.75	+ .8	+ .9	+ .3	+6.1	+6.7	+6.5	18
Vermont.....	553	1, 603	18, 131	32.79	+3.4	+2.4	+4.2	+15.4	+12.7	+31.2	16
Region II:											
New York.....	35, 906	70, 991	1, 632, 428	45.46	—1.0	— .9	—2.9	—1.0	—1.4	—5.6	23
Region III:											
Delaware.....	509	1, 373	16, 565	32.54	+ .8	+1.5	+1.7	+2.4	+16.5	+8.0	20
New Jersey.....	11, 082	24, 809	341, 997	30.86	+ .6	+ .9	+1.1	— .7	+ .7	+2.6	22
Pennsylvania.....	36, 570	83, 260	1, 315, 545	35.97	+3.1	+3.0	+3.2	+100.8	+98.7	+94.6	29
Region IV:											
District of Columbia.....	910	2, 702	34, 200	37.58	+ .4	+ .6	+ .1	—2.8	—4.7	—17.1	21
Maryland.....	7, 443	19, 987	231, 069	31.13	— .5	— .7	—1.3	—5.0	—5.1	—3.8	44
North Carolina.....	9, 210	23, 087	153, 087	16.62	+2.0	+1.4	+3.2	+13.2	+7.1	+21.8	10
Virginia.....	2, 867	9, 052	58, 573	20.43	+9.5	+7.6	+9.5	+189.6	+170.0	+162.8	10
West Virginia.....	7, 670	21, 198	170, 190	22.19	+1.8	+1.4	+3.2	+10.2	+6.8	+15.5	33
Region V:											
Michigan.....	18, 507	45, 535	721, 482	38.98	+1.9	+1.4	+ .1	+35.2	+44.9	+48.9	34
Ohio.....	9, 984	27, 833	386, 160	38.68	— .1	— .2	+ .1	—0.9	—0.5	—8.3	16
Region VI:											
Indiana.....	17, 282	35, 540	485, 106	28.07	+ .6	+ .5	+ .8	+4.6	+3.9	+6.8	39
Wisconsin.....	12, 353	28, 191	469, 615	38.02	+ .4	+ .5	—2.0	+8.5	+6.3	+11.0	31
Region VII:											
Alabama.....	5, 555	17, 019	81, 953	14.00	+1.3	+1.0	+ .2	+5.7	+3.8	+13.8	17
Florida.....	3, 884	9, 891	83, 313	21.45	— .9	—2.1	— .4	—5.9	—8.5	—2.9	21
Georgia.....	3, 839	9, 897	78, 232	20.38	— .4	— .6	— .3	+2.5	—3.1	+1.8	10
South Carolina.....	2, 927	8, 783	47, 394	16.19	—1.0	—1.2	— .2	—34.8	—33.4	—28.9	13
Tennessee.....	14, 157	36, 079	260, 560	18.41	+ .9	+ .6	+ .9	+46.4	+40.3	+46.8	39
Region VIII:											
Minnesota.....	8, 770	21, 067	302, 907	34.50	+ .4	+ .5	—1.0	+16.2	+12.5	+13.0	29
Nebraska.....	5, 400	12, 040	147, 816	27.37	+ .6	+ .3	+ .7	+10.4	+9.6	+25.0	31
North Dakota.....	2, 381	6, 607	74, 480	31.28	+ .7	+ .5	+ .6	+15.4	+15.2	+11.3	28
Region IX:											
Arkansas.....	4, 270	11, 401	34, 822	8.16	+2.1	+1.7	+2.2	+7.9	+5.7	+8.0	17
Kansas.....	6, 386	14, 635	190, 604	29.85	+ .8	+ .2	—1.7	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	29
Missouri.....	10, 963	26, 248	285, 708	26.06	+2.1	+2.2	+3.0	+6.3	+7.8	+43.8	26
Oklahoma.....	18, 287	42, 048	264, 390	14.46	+1.8	+1.9	+2.2	+12.5	+12.4	+34.9	51
Region X:											
Louisiana.....	12, 927	36, 197	307, 362	23.78	+1.3	+1.2	+1.7	+10.5	+17.3	+33.3	53
New Mexico.....	1, 918	5, 578	45, 635	25.36	+3.7	+5.0	+3.6	+15.1	+15.5	+37.6	38
Region XI:											
Arizona.....	2, 534	7, 029	81, 635	32.22	+1.4	+1.1	+1.2	+2.1	— .2	+2.5	55
Colorado.....	5, 780	14, 253	175, 483	30.36	+2.9	+2.0	+2.0	+20.1	+20.4	+22.1	48
Idaho.....	2, 849	6, 994	81, 199	28.50	+ .7	+ .6	+1.1	+6.6	+10.6	+13.8	45
Montana.....	2, 353	5, 682	66, 009	28.05	+ .6	+ .5	+ .5	+8.1	+11.9	+30.2	37
Utah.....	3, 330	8, 182	117, 507	35.29	+1.9	+2.1	+2.6	+5.1	+7.3	+9.8	47
Wyoming.....	731	1, 808	23, 287	31.86	+ .8	+1.2	+1.0	+5.3	+4.6	+7.5	27
Region XII:											
California.....	15, 390	37, 329	704, 215	45.76	+1.7	+1.2	+2.1	+13.4	+10.4	+23.1	28
Oregon.....	1, 986	4, 713	78, 420	39.49	+ .6	+1.1	+1.2	+18.0	+27.2	+16.8	17
Washington.....	4, 971	11, 767	155, 336	31.25	+1.4	+1.6	+1.8	—8.1	—4.1	—1.8	30
Territory:											
Hawaii.....	1, 125	3, 800	39, 590	35.19	+1.1	+1.0	+2.7	+13.1	+9.4	+13.5	28

<sup>1</sup> From Federal, State, and local funds; excludes cost of administration.

<sup>2</sup> Population as of July 1, 1938, estimated with advice of the U. S. Bureau of the Census.

<sup>3</sup> Includes an unknown number of children 16 years of age and over.

<sup>4</sup> Includes approximately 2,875 children 16 years of age and over. Rate per 1,000 excludes these children.

<sup>5</sup> Includes aid to dependent children administered under State law without Federal participation.

<sup>6</sup> In addition, in 67 counties payments amounting to \$10,800 were made from local funds without Federal participation to 618 families in behalf of 1,308 children under the State mothers'-pension law. Some families receiving aid from this source for May also received aid under State plan for aid to dependent children approved by the Social Security Board.

<sup>7</sup> Not computed, because of change in reporting procedure.

<sup>8</sup> Includes 534 children 16 years of age and over. Rate per 1,000 excludes these children.



were transferred from the State's general relief program. In New Hampshire, a rise of 3.5 percent in the total amount spent for assistance was accompanied by increases of 2.4 percent in the number of families and 2.1 percent in the number of children. Total obligations were 3.2 percent larger in May in North Carolina and West Virginia; the numbers of families and children assisted were 2 and 1 percent higher, respectively,

in each State. In Missouri total assistance payments increased 3.0 percent, the number of families 2.1 percent, and the number of children 2.2 percent.

Each of the 42 jurisdictions making payments under plans approved by the Social Security Board in May 1940 also made payments under the Social Security Act in May 1939. The total numbers of families and children assisted in May

**Table 11.—Aid to the blind in States with plans approved by the Social Security Board, by States, May 1940**

[Data reported by State agencies, corrected to June 15, 1940]

Social Security Board region and State	Number of recipients	Amount of obligations incurred for payments to recipients <sup>1</sup>	Average amount per recipient	Percentage change from—				Number of recipients per 100,000 estimated population <sup>2</sup>
				April 1940 in—		May 1939 in—		
				Number of recipients	Amount of obligations	Number of recipients	Amount of obligations	
Total.....	47,191	\$1,111,558	\$23.55	+0.6	+0.6	+6.7	+8.3	
Region I:								
Connecticut.....	4,234	45,918	25.29	-2.1	+1.6	+3.5	+13.0	11
Maine.....	1,241	29,188	23.52	+8	+3.9	+2	+2.2	141
Massachusetts.....	1,187	27,420	23.10	+7	+6	+4.5	+8.8	27
New Hampshire.....	324	7,717	23.82	-3	+6	+2.2	+10.0	64
Rhode Island.....	63	1,019	16.65	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	9
Vermont.....	152	3,255	21.41	+7	+2.6	-6.7	-4.1	46
Region II:								
New York.....	2,839	71,558	25.21	+7	-2.7	+6.7	+9.6	22
Region III:								
New Jersey.....	702	16,337	23.27	+3.2	+3.3	+13.4	+15.6	14
Region IV:								
District of Columbia.....	211	5,402	25.60	+5	-1	+1.0	-3.7	34
Maryland.....	681	14,276	20.96	+1.6	+6	+5.4	+4.8	41
North Carolina.....	1,987	29,814	15.00	-1.1	-1.7	+3.9	+6.6	57
Virginia.....	1,018	13,022	12.79	+2	+8	+23.2	+30.6	26
West Virginia.....	796	13,702	17.21	( <sup>3</sup> )	+1.8	+1.8	+2.2	43
Region V:								
Michigan.....	837	19,393	23.17	+3.7	+5	+11.9	+8.1	17
Ohio.....	3,951	76,910	19.47	+4	-3	+6	-1.3	40
Region VI:								
Indiana.....	2,438	53,089	21.78	-5	+1.8	-1.5	+3.8	70
Wisconsin.....	2,010	47,091	23.43	( <sup>3</sup> )	+7	+2.0	+5.0	60
Region VII:								
Alabama.....	594	5,262	8.86	+1.0	-5	+14.7	+16.2	21
Florida.....	2,300	29,242	12.71	+1.9	+2.6	-4.4	-16.4	138
Georgia.....	1,104	11,118	10.07	+5	+9	+12.3	+13.2	36
Mississippi.....	751	5,849	7.79	+4.3	+8.1	+36.1	+47.9	37
South Carolina.....	776	8,132	10.48	+2.5	+3.7	-14.2	-11.4	41
Tennessee.....	1,601	17,748	11.09	+4	+4	+15.3	-12.9	53
Region VIII:								
Iowa.....	1,448	34,583	23.88	-4	+1	+7.3	+8.1	57
Minnesota.....	919	24,816	27.00	+9	+1.0	+13.6	+22.2	35
Nebraska.....	680	13,412	19.72	+1.3	+2.0	+12.8	+33.8	50
North Dakota.....	170	4,051	23.83	+3.0	+9.0	+46.6	+75.6	34
South Dakota.....	234	4,128	17.64	+1.7	+2.3	-8	+26.3	34
Region IX:								
Arkansas.....	737	4,777	6.48	+3.8	+3.4	+18.7	+17.2	38
Kansas.....	1,224	26,122	21.34	+4	-6	( <sup>3</sup> )	( <sup>3</sup> )	66
Oklahoma.....	2,219	34,119	15.38	+5	+1.3	+8.4	+13.4	97
Region X:								
Louisiana.....	1,060	15,708	14.82	+5	+7	+18.4	+30.5	50
New Mexico.....	234	4,106	17.55	+5.4	+6.3	+15.3	+35.0	55
Region XI:								
Arizona.....	352	9,226	26.21	+1.7	+2	+14.3	+20.3	86
Colorado.....	635	18,513	29.15	-8	+1.6	+3.8	+7.8	89
Idaho.....	276	6,113	22.15	-7	+7	-4.8	-1.9	96
Montana.....	193	4,058	21.03	+3.2	+3.9	+35.9	+30.9	36
Utah.....	203	5,628	27.72	-5	+4.0	-2.9	+6.7	39
Wyoming.....	152	4,204	27.66	( <sup>3</sup> )	-1.0	-1.3	-4.5	65
Region XII:								
California.....	7,098	341,237	48.08	+5	+6	+11.0	+11.2	115
Oregon.....	449	11,361	25.30	-2	( <sup>3</sup> )	+2.5	+2.3	44
Washington.....	1,042	31,874	30.59	-1.0	-1.1	+4.3	+4.8	63
Territory:								
Hawaii.....	69	1,080	14.93	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	17

<sup>1</sup> From Federal, State, and local funds; excludes cost of administration.

<sup>2</sup> Population as of July 1, 1937, estimated by the U. S. Bureau of the Census.

<sup>3</sup> Comparison for 40 States, the District of Columbia, and Hawaii with approved plans for May 1939 and May 1940.

<sup>4</sup> Includes aid to the blind administered under State law without Federal participation.

<sup>5</sup> Not computed, because figures too small for comparison.

<sup>6</sup> No approved plan for aid to the blind for May 1939.

<sup>7</sup> No change.

<sup>8</sup> Increase of less than 0.1 percent.

<sup>9</sup> Not computed, because of change in reporting procedure.

<sup>10</sup> Decrease of less than 0.1 percent.



1940 were 15.2 and 14.7 percent greater, respectively, than in the same month a year earlier, and the total expenditure for assistance was 18.1 percent larger. In a number of States total payments had increased markedly from the levels of expenditure in May 1939. For Louisiana, Michigan, Missouri, Montana, New Hampshire, New Mexico, Oklahoma, Pennsylvania, Tennessee, Vermont, and Virginia, the expansions amounted to 30 percent or more.

#### *Aid to the Blind*

In May the total number of recipients of aid to the blind in the 43 jurisdictions with plans approved by the Social Security Board and the total amount spent for assistance to these recipients were each 0.6 percent larger than in the preceding month. Sizable percentage changes in recipients and payments were recorded for only a few States.

New Mexico reported increases of 5.4 percent in the number aided and 6.3 percent in total obligations incurred. In Mississippi it was possible to increase both the number of recipients and total payments, because additional State funds derived from cumulated balances were available for payments in May, which was the next to last month of a biennial fiscal period. The number benefited in Mississippi rose 4.3 percent, and total expenditures increased 8.1 percent. In

North Dakota the number receiving assistance was only 3.0 percent larger than in April, but total obligations were 9.0 percent greater.

In Arkansas the number on the rolls increased 3.8 percent, and total payments moved upward 3.4 percent. Montana reported upward changes of 3.2 percent in the number aided and 3.9 percent in the total amount spent for assistance. In New Jersey there were increases of 3.2 percent in the number of recipients and 3.3 percent in total obligations from April to May. Total payments in Utah were 4.0 percent higher in May, but the number of blind persons assisted was practically unchanged. In Maine total expenditures for aid to the blind rose 3.9 percent, whereas the number on the rolls increased less than 1 percent. The number receiving assistance in Michigan was 3.7 percent larger than in April, although total payments moved upward only slightly.

In the 42 jurisdictions making payments under the Social Security Act in May 1939 and May 1940, the total number of recipients of aid to the blind was 6.7 percent larger in May of this year, and the total amount of obligations incurred for assistance was 8.3 percent greater. Total payments to recipients were at least 20 percent larger in May of this year in Arizona, Louisiana, Minnesota, Mississippi, Montana, Nebraska, New Mexico, North Dakota, South Dakota, and Virginia.



# STATISTICS BY STATES, APRIL 1940

Total expenditures for payments to recipients of public assistance and earnings of persons employed under Federal work programs declined from March to April in 26 States. Although total assistance and earnings in the country as a whole decreased only 0.4 percent in April, there were 11

States with declines of 5.0 percent or more from March levels. Increases of 5.0 percent or more occurred in only 3 of the 23 States in which larger total amounts were expended in April.

In April smaller total amounts were earned by persons employed on projects of the Work Projects

Table 12.—Amount of public assistance and earnings of persons employed under Federal work programs in the continental United States, by States, April 1940 <sup>1</sup>

[In thousands]

State	Total	Obligations incurred for—		Subsistence payments certified by the Farm Security Administration	Earnings of persons employed under Federal work programs				
		Special types of public assistance	General relief		Civilian Conservation Corps	National Youth Administration		Work Projects Administration	Other Federal work and construction projects
						Student work program	Out-of-school work program		
Total.....	\$ 279, 525	\$51, 551	\$37, 812	\$2, 500	\$18, 051	\$3, 361	\$5, 911	\$119, 958	\$ 40, 362
Alabama.....	4, 347	271	34	402	492	68	147	2, 078	863
Arizona.....	1, 332	311	47	131	164	16	21	477	185
Arkansas.....	2, 713	149	18	15	510	43	112	1, 675	390
California.....	19, 981	6, 304	3, 617	236	608	202	240	6, 112	2, 612
Colorado.....	3, 844	1, 399	216	69	187	39	66	1, 543	328
Connecticut.....	3, 291	530	609	( <sup>2</sup> )	125	25	68	1, 189	745
Delaware.....	355	46	32	1	29	3	10	167	67
District of Columbia.....	2, 983	124	59		51	20	26	747	1, 027
Florida.....	3, 711	526	64	35	269	37	70	1, 926	794
Georgia.....	4, 093	311	42	191	559	78	151	2, 120	640
Idaho.....	1, 139	279	34	30	71	19	37	587	81
Illinois.....	20, 582	3, 235	3, 965	12	944	186	348	10, 109	1, 783
Indiana.....	6, 562	1, 723	690	3	380	87	134	3, 057	466
Iowa.....	3, 816	1, 229	596	3	204	63	115	1, 372	234
Kansas.....	3, 373	764	347	74	257	65	112	1, 463	261
Kentucky.....	3, 888	405	52	46	398	60	108	2, 093	726
Louisiana.....	3, 643	691	142	11	387	61	121	1, 468	762
Maine.....	1, 728	385	311	4	120	17	71	462	330
Maryland.....	2, 720	575	200	3	171	33	71	895	772
Massachusetts.....	14, 058	3, 139	2, 024	1	539	104	182	5, 734	2, 324
Michigan.....	9, 743	1, 998	1, 459	13	589	132	222	5, 013	313
Minnesota.....	6, 153	1, 675	961	34	476	68	144	2, 631	180
Mississippi.....	2, 788	160	8	84	388	46	100	1, 526	473
Missouri.....	8, 090	1, 775	300	43	718	93	147	4, 481	534
Montana.....	1, 745	289	94	93	137	21	36	735	340
Nebraska.....	2, 984	611	152	67	194	41	57	1, 519	340
Nevada.....	364	63	17	( <sup>2</sup> )	21	3	5	108	141
New Hampshire.....	1, 385	155	198	1	41	10	30	400	549
New Jersey.....	10, 450	996	1, 239	3	507	73	143	4, 853	2, 623
New Mexico.....	1, 327	115	21	82	141	14	44	716	110
New York.....	31, 008	4, 831	9, 768	11	1, 178	327	538	10, 489	3, 858
North Carolina.....	4, 040	535	41	91	456	98	169	2, 052	590
North Dakota.....	1, 327	228	100	49	188	34	62	630	36
Ohio.....	15, 329	3, 347	1, 652	9	856	165	256	8, 209	835
Oklahoma.....	5, 158	1, 555	470	90	660	86	131	2, 173	394
Oregon.....	2, 208	510	190	17	140	30	48	924	348
Pennsylvania.....	24, 228	3, 790	8, 984	11	1, 180	230	426	9, 380	3, 228
Rhode Island.....	2, 107	186	4310	( <sup>2</sup> )	76	17	35	743	740
South Carolina.....	3, 381	211	18	49	324	54	76	1, 908	744
South Dakota.....	1, 868	321	111	192	172	38	39	627	69
Tennessee.....	4, 311	680	430	19	481	71	135	1, 858	1, 089
Texas.....	8, 667	1, 149	101	104	1, 151	82	310	4, 377	1, 293
Utah.....	1, 492	411	112	17	75	35	49	668	127
Vermont.....	514	113	69	1	31	9	14	268	9
Virginia.....	4, 397	232	98	26	414	71	122	1, 293	2, 136
Washington.....	5, 975	1, 046	204	63	272	49	95	1, 935	2, 311
West Virginia.....	3, 329	410	192	13	299	43	146	1, 939	297
Wisconsin.....	6, 696	1, 693	1, 195	33	380	91	108	3, 027	198
Wyoming.....	615	107	33	18	42	6	10	228	171

<sup>1</sup> See footnotes to table 5.

<sup>2</sup> Includes \$2,000 not distributed by States.

<sup>3</sup> Less than \$500.

<sup>4</sup> Estimated.



Administration in 42 States, and earnings under the out-of-school work program of the National Youth Administration were lower than in March in 35 States. Expenditures for general relief declined in 37 States. Smaller amounts of subsistence payments were certified by the Farm Security Administration in 25 States.

After declining in a majority of the States in each of the 6 preceding months, total earnings

on Federal work and construction projects other than those of the WPA, NYA, and CCC increased in April in 42 States. Total obligations incurred for payments to recipients of the special types of public assistance and earnings of persons employed under the student work program of the NYA each moved upward from March to April in 39 States. Earnings of enrollees in the CCC were higher than in March in 30 States.

Table 13.—Recipients of public assistance and persons employed under Federal work programs in the continental United States, by States, April 1940<sup>1</sup>

State	Recipients of special types of public assistance				Cases receiving general relief	Cases for which subsistence payments were certified by the Farm Security Administration	Persons employed under Federal work programs				
	Old-age assistance	Aid to dependent children		Aid to the blind			Civilian Conservation Corps	National Youth Administration		Work Projects Administration	Other Federal work and construction projects
		Families	Children					Student work program	Out-of-school work program		
Total.....	1,944,406	338,559	813,973	70,919	1,545,531	85,679	272,469	490,072	320,444	2,125,441	<sup>2</sup> 339,624
Alabama.....	10,536	5,778	16,844	588	2,435	5,800	7,432	11,122	8,821	42,716	8,568
Arizona.....	7,996	2,500	6,953	346	3,251	<sup>3</sup> 6,371	2,479	2,117	1,211	7,615	1,604
Arkansas.....	18,192	4,181	11,215	710	3,698	815	7,700	7,946	6,676	36,786	2,756
California.....	138,796	15,134	36,877	7,060	130,589	<sup>3</sup> 9,445	9,170	22,085	12,154	92,726	19,763
Colorado.....	40,673	5,618	13,972	640	13,408	3,253	3,826	5,636	3,522	36,965	2,879
Connecticut.....	16,977	<sup>1</sup> 1,400	<sup>3</sup> 3,200	239	21,065	6	1,885	3,299	3,354	18,292	4,797
Delaware.....	2,625	505	1,353	-----	1,777	26	435	517	679	2,851	690
District of Columbia.....	3,312	906	2,685	210	2,278	-----	767	1,739	1,411	11,172	13,211
Florida.....	34,789	3,921	10,107	2,257	8,937	1,285	4,061	5,725	4,783	30,996	8,369
Georgia.....	27,740	3,855	9,957	1,099	6,979	4,578	8,441	12,834	8,808	44,277	8,505
Idaho.....	8,840	2,830	6,955	278	2,354	830	1,079	2,088	1,793	10,158	808
Illinois.....	138,271	<sup>2</sup> 7,500	<sup>3</sup> 17,000	<sup>2</sup> 7,700	153,612	524	14,244	26,090	19,316	172,169	12,918
Indiana.....	66,065	17,187	35,346	2,450	48,678	162	5,743	12,528	7,622	60,011	4,268
Iowa.....	54,512	<sup>3</sup> 3,000	<sup>2</sup> 7,000	1,454	32,356	99	3,085	8,217	6,470	25,783	2,946
Kansas.....	26,639	6,333	14,613	1,219	21,452	4,576	3,873	10,026	6,651	25,582	3,654
Kentucky.....	45,801	252	857	-----	<sup>3</sup> 5,400	806	6,004	9,775	5,659	43,793	6,495
Louisiana.....	31,520	12,706	35,772	1,055	9,662	388	5,845	7,606	5,960	32,423	7,244
Maine.....	14,023	1,454	3,669	1,231	11,692	140	1,804	2,171	2,713	8,905	3,751
Maryland.....	18,451	7,452	20,124	670	9,496	152	2,580	4,137	4,614	15,689	6,116
Massachusetts.....	84,141	11,782	26,884	1,179	72,613	16	8,136	13,464	9,103	89,061	17,376
Michigan.....	74,154	18,164	44,914	807	68,624	530	8,807	17,445	11,711	84,839	3,150
Minnesota.....	62,921	8,745	20,961	911	42,403	1,844	7,191	10,345	7,249	44,230	1,775
Mississippi.....	19,962	<sup>3</sup> 104	<sup>2</sup> 162	730	1,200	414	5,858	8,295	6,177	34,135	6,615
Missouri.....	86,142	10,741	26,681	<sup>3</sup> 3,655	25,931	2,330	10,837	14,082	8,785	79,999	7,070
Montana.....	12,175	2,340	5,653	187	8,260	3,677	2,069	3,222	1,943	12,653	2,999
Nebraska.....	27,423	5,366	12,003	671	10,847	4,299	2,924	6,323	3,366	36,215	4,205
Nevada.....	2,273	101	246	15	864	15	310	348	279	1,877	1,049
New Hampshire.....	8,463	668	1,717	325	7,911	20	622	1,213	1,487	7,993	3,686
New Jersey.....	31,044	11,017	24,585	680	51,552	119	7,656	10,994	6,953	72,561	18,758
New Mexico.....	4,416	1,849	5,313	222	2,242	4,006	2,132	2,081	2,335	12,058	2,318
New York.....	117,896	36,257	71,665	2,820	273,185	367	17,758	43,918	34,566	185,363	28,629
North Carolina.....	35,340	9,028	22,774	2,010	6,511	976	6,884	12,943	9,927	46,114	7,691
North Dakota.....	8,786	2,364	6,575	165	5,613	2,798	2,844	5,425	3,653	12,081	477
Ohio.....	122,659	9,992	27,879	3,995	100,609	416	12,922	22,865	13,793	147,273	7,432
Oklahoma.....	71,507	17,961	41,283	2,208	<sup>3</sup> 13,300	3,042	9,956	14,628	8,051	45,700	4,532
Oregon.....	19,706	1,975	4,660	450	11,033	572	2,111	4,074	2,586	14,808	2,819
Pennsylvania.....	96,365	35,478	80,865	12,730	217,251	377	17,811	34,368	22,320	189,531	26,661
Rhode Island.....	6,730	1,180	3,179	61	<sup>3</sup> 11,000	6	1,148	2,085	1,762	12,077	4,984
South Carolina.....	19,331	2,958	8,887	787	2,031	1,134	4,896	10,044	4,548	29,079	7,680
South Dakota.....	14,616	1,878	4,176	230	6,267	10,895	3,600	6,837	3,189	12,336	920
Tennessee.....	40,117	14,029	35,875	1,595	<sup>3</sup> 8,000	278	7,200	11,441	9,044	41,229	9,339
Texas.....	118,803	96	<sup>2</sup> 220	-----	12,542	3,275	17,369	23,965	16,508	93,678	14,840
Utah.....	13,727	3,268	8,013	304	5,573	603	1,130	4,589	2,630	10,881	1,185
Vermont.....	5,565	535	1,586	151	3,123	20	466	1,234	809	5,252	152
Virginia.....	16,975	2,618	8,409	1,016	8,919	228	6,244	8,821	7,777	27,541	16,954
Washington.....	38,998	4,901	11,579	1,052	14,571	2,065	4,103	6,657	5,089	80,846	14,585
West Virginia.....	17,411	7,535	20,910	796	16,986	189	4,515	7,598	7,444	36,528	3,011
Wisconsin.....	50,904	12,302	28,043	2,009	51,965	1,708	5,743	13,658	5,021	50,495	1,754
Wyoming.....	3,389	725	1,787	152	1,686	736	635	866	694	4,132	1,592

<sup>1</sup> See footnotes to table 6.

<sup>2</sup> Includes 19 persons not distributed by States.

<sup>3</sup> Estimated.



## STATISTICS FOR URBAN AREAS

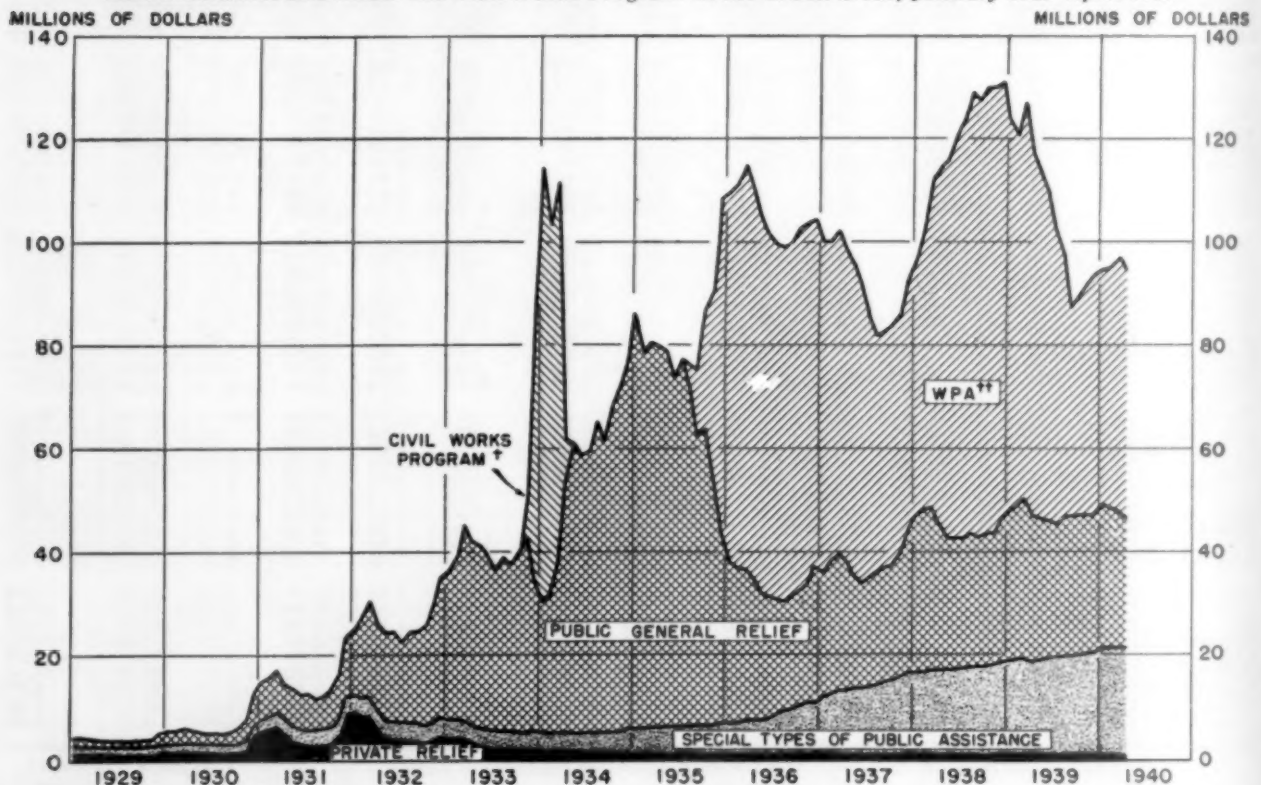
### Public and Private Aid in 116 Urban Areas April 1940

During April a total of \$94.5 million was expended in 116 urban areas for payments to recipients of the special types of public assistance, public general relief, and private assistance, and for earnings of persons employed on projects operated by the Work Projects Administration. This aggregate amount excludes all costs of administering the various programs and of materials, equipment, and supplies incident to the operation of work projects. Data are not available for the urban areas on earnings of persons employed on WPA-financed projects operated by other Federal agencies and other Federal work and construction projects, earnings of enrolled personnel in the Civilian Conservation Corps, or earnings of persons employed under the work programs of the National Youth Administration.

Total payments for public and private assistance and WPA earnings were 2.5 percent lower in April than in March. Practically all the impetus to this decline was supplied by reductions in the total amounts expended for earnings of persons employed on projects operated by the WPA within the areas and for general relief payments by public agencies. Total earnings on WPA projects decreased 2.7 percent to \$48.1 million, and expenditures for public general relief declined 4.4 percent to \$25.0 million. A reduction of 4.6 percent in assistance payments by private agencies affected aggregate payments only to a slight degree, since the total amount of private assistance is extremely small. Total obligations incurred for April payments to recipients of old-age assistance, aid to dependent children, and aid to the blind amounted to \$20.4 million, or 0.7 percent more than in the preceding month.

Declines in total expenditures for assistance and

Chart I.—Public and private assistance and earnings of persons employed on projects operated by the Work Projects Administration and under the Civil Works Program in 116 urban areas, January 1929–April 1940



†Earnings of all persons employed under the Civil Works Program, including administrative staff.

††Earnings on projects operated by the WPA within the areas.

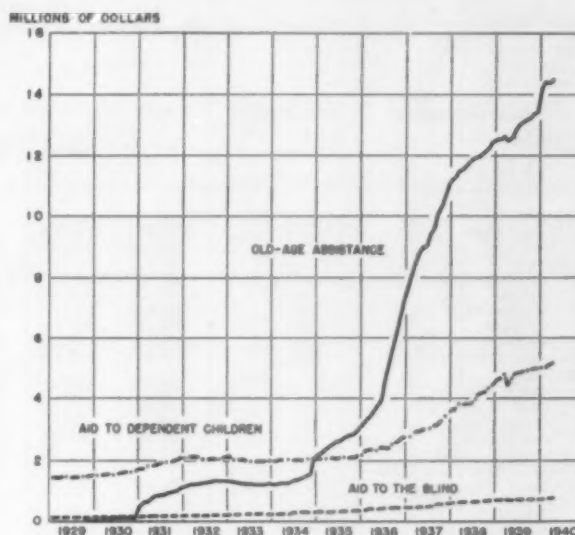


WPA earnings in 93 of the 116 urban areas contributed to the downward movement in total payments in all areas combined from March to April. In 23 of the 93 areas with smaller aggregate payments in April there were decreases of 10 percent or more. Upward changes of more than 10 percent were recorded for 6 of the 23 areas in which total payments were higher than in March.

The total amount spent for public and private assistance and WPA earnings in the 116 urban areas in April 1940 was 19.3 percent less than the total expended in the same month of 1939. For the most part, this decline reflects the influence of a reduction of 32.0 percent in the total amount earned by persons employed on projects operated by the WPA. Total payments for general relief by public agencies had declined 10.4 percent from the level of such payments a year earlier. The total amount of obligations incurred for the special types of public assistance was 16.8 percent greater in April of this year. For old-age assistance the expansion amounted to 16.2 percent, for aid to dependent children to 20.3 percent, and for aid to the blind to 5.6 percent. Total payments for assistance by private agencies were slightly larger in April 1940.

In April 1940 WPA earnings accounted for 50.9 percent of the total, as compared with 60.4

Chart II.—Special types of public assistance in 116 urban areas, January 1929–April 1940



percent in the same month of 1939. The share of total payments represented by public general relief rose from 23.9 percent in April 1939 to 26.5 percent in April 1940, and that comprised of payments for the special types of public assistance increased from 14.9 to 21.6 percent. Private assistance accounted for about 1 percent of the total in April of both years.

Table 1.—Amount of public and private assistance and earnings of persons employed on projects operated by the Work Projects Administration in 116 urban areas, April 1940

[Corrected to June 20, 1940]

Type of agency	Number of cases	Amount <sup>1</sup>	Percentage change from—				Percentage distribution of amount—		
			March 1940 in—		April 1939 in—		April 1940	March 1940	April 1939
			Number of cases	Amount	Number of cases	Amount			
Total.....	( <sup>2</sup> )	\$94,475,042		-2.5		-19.3	100.0	100.0	100.0
Public agencies.....	( <sup>2</sup> )	\$93,557,712		-2.5		-19.5	99.0	99.0	99.2
Agencies administering:									
General relief <sup>4</sup> .....	879,481	25,034,037	-3.6	-4.4	-10.1	-10.4	26.5	27.0	23.9
Special types of assistance <sup>5</sup> .....	726,143	20,424,003	+8	+7	+10.7	+16.8	21.6	21.0	14.9
Old-age assistance.....	575,791	14,514,123	+6	+7	+8.7	+16.2	15.4	14.9	10.7
Aid to dependent children <sup>6</sup> .....	126,639	5,149,083	+1.4	+7	+22.2	+20.3	5.4	5.3	3.6
Aid to the blind <sup>6</sup> .....	23,713	760,797	+6	+4	+5.0	+5.6	.8	.8	.6
Work Projects Administration <sup>6</sup> .....	( <sup>2</sup> )	48,099,672	( <sup>2</sup> )	-2.7	( <sup>2</sup> )	-32.0	50.9	51.0	60.4
Private agencies <sup>7</sup> .....	( <sup>2</sup> )	\$917,330		-4.6		+2.4	1.0	1.0	.8

<sup>1</sup> Excludes cost of administration; of materials, equipment, and other items incident to operation of work programs; and of transient care. Data for assistance programs differ from those for months prior to January 1940, because they include obligations incurred for burials, in addition to obligations incurred for money payments, assistance in kind, medical care, and hospitalization.

<sup>2</sup> Not available.

<sup>3</sup> Public agencies administered \$3,079 of private funds while private agencies administered \$10,363 of public funds, so that total amounts contributed from public and private sources, respectively, were \$93,564,996 and \$910,046.

<sup>4</sup> Includes direct and work relief and statutory aid to veterans administered on basis of need.

<sup>5</sup> Includes figures for areas in States with plans approved by the Social Security Board and for areas in States not participating under the Social Security Act.

<sup>6</sup> Figures from the WPA, Division of Statistics; represent earnings of persons employed on projects operated by the WPA within these areas and cover all pay-roll periods ended during month. Figures are not available for these areas for earnings of persons employed on projects other than those operated by the WPA.

<sup>7</sup> Includes direct and work relief and aid to veterans.

<sup>8</sup> Includes estimate of \$172,270, of which \$136,784 represents expenditures of agencies for which monthly reports are not available.

<sup>9</sup> Based on data from agencies reporting monthly.



Table 2.—Amount of public and private assistance and earnings of persons employed on projects operated by the Work Projects Administration, by urban areas, April 1940

[Corrected to June 30, 1940]

State and city	Area included	Total 1	Public funds						Private funds 2	Percentage change in total from—	
			Total	General relief 3	Old-age assistance	Aid to dependent children 4	Aid to the blind 5	WPA earnings 6		March 1940	April 1939
Alabama:											
Birmingham	County	\$498,334	\$498,217	\$9,151	\$22,541	\$22,573	\$873	\$443,079	\$117	+6.4	-20.8
Mobile	do	116,468	115,832	988	7,518	1,828	136	105,362	636	-13.1	-17.6
California:											
Los Angeles	do	5,965,231	5,940,349	1,625,715	2,150,677	226,481	162,866	1,774,610	24,882	+1.7	-1.8
Oakland	do	1,327,464	1,323,542	238,135	304,706	53,114	24,117	703,470	3,922	-3.4	-10.2
Sacramento	do	316,030	313,928	43,079	128,158	21,493	7,141	114,057	2,102	-2.6	+4.4
San Diego	do	685,750	684,922	123,018	271,517	31,587	12,387	246,413	828	(9)	-9.0
San Francisco	do	1,668,655	1,647,329	340,801	404,959	55,535	25,408	820,626	19,326	-6.8	-13.3
Colorado: Denver	do	809,545	806,662	55,930	331,587	52,964	3,761	262,420	2,883	-6.4	+10.7
Connecticut:											
Bridgeport	City	193,262	190,347	75,210	34,321	6,590	594	91,632	2,915	-17.6	-26.7
Hartford	do	288,400	273,224	98,308	54,070	6,308	912	113,426	15,176	+6.0	-1.0
New Britain	do	66,187	68,590	12,911	12,968	2,545	127	40,089	567	-1.5	-26.7
New Haven	do	273,520	268,538	75,048	61,750	6,997	1,150	133,593	4,982	-8.1	-13.8
Delaware: Wilmington	County	177,078	173,928	29,940	18,049	9,898		116,041	7,350	+2.8	-7.8
District of Columbia: Washington	City	759,286	741,083	50,097	84,550	34,162	5,410	557,864	718,203	-9.4	-9.7
Florida:											
Jacksonville	County	266,977	266,203	5,629	43,892	8,922	3,090	204,670	774	-39.1	-24.1
Miami	do	108,140	101,570	6,453	33,369	10,944	2,148	48,656	6,570	-25.9	-30.1
Georgia: Atlanta	do	458,320	452,819	20,960	22,009	15,549	1,771	392,530	5,501	-2.1	-27.3
Illinois:											
Chicago	do	8,901,820	8,809,286	2,668,577	1,168,766	78,782	70,027	4,823,134	92,534	-5.5	-18.1
Springfield	do	304,127	301,985	50,925	45,770	1,670	4,800	196,820	2,142	+1.0	+1.8
Indiana:											
Evansville	do	259,896	258,939	58,363	41,423	22,597	1,533	135,023	927	-27.2	-40.5
Fort Wayne	do	235,856	234,013	24,868	43,715	21,601	1,372	142,457	1,843	-5.9	-19.1
Indianapolis	do	772,104	764,114	106,434	138,166	71,281	6,831	441,402	7,960	-6.6	-26.0
South Bend	do	254,802	254,370	52,809	39,390	20,422	1,092	140,657	432	-3.8	-27.8
Terre Haute	do	290,409	288,432	28,536	55,619	20,301	2,149	191,827	977	-6.1	-18.1
Iowa:											
Des Moines	do	516,650	515,554	67,946	93,264	4,204	5,618	344,522	1,095	-8.6	-8.1
Sioux City	do	212,816	211,941	63,872	45,171	4,181	1,735	96,982	876	-3.1	-1.4
Kansas:											
Kansas City	do	282,204	281,634	36,433	30,321	14,450	1,655	198,775	7570	-5.5	-16.4
Topeka	do	135,950	134,877	11,698	18,979	7,791	1,166	95,244	1,073	-8.4	+4.4
Wichita	do	230,258	229,638	69,825	44,996	20,214	2,230	92,373	620	-10.9	+4.8
Kentucky: Louisville	do	290,844	283,373	24,171	35,929	8,146		215,127	7,471	-9.8	-15.8
Louisiana:											
New Orleans	Parish	994,677	983,583	50,380	68,903	98,414	5,422	790,464	711,094	-10.7	-15.7
Shreveport	do	60,801	60,458	9,436	16,631	15,816	637	17,938	343	-1.1	+19.4
Maine: Portland	City	98,905	97,350	7,202	20,873	4,139	1,392	50,714	1,555	-21.0	-15.1
Maryland: Baltimore	do	802,427	785,543	174,608	162,332	140,126	9,150	296,327	16,884	-4.3	-2.2
Massachusetts:											
Boston	do	2,590,623	2,478,128	500,070	444,579	248,888	8,511	1,276,080	82,495	-9.8	-15.1
Brockton	do	265,639	261,813	41,094	61,039	9,096	511	150,073	3,826	+16.0	+17.7
Cambridge	do	282,757	279,164	91,834	46,358	22,189	956	117,827	3,593	-11.2	-18.1
Fall River	do	288,653	288,447	58,586	58,316	12,464	879	128,202	206	-21.4	-25.3
Lawrence	do	181,436	180,385	45,378	45,648	5,863	532	82,964	1,051	-7.1	-6.1
Lowell	do	320,605	319,063	73,528	69,446	15,251	882	159,656	1,542	-9.6	-23.3
Lynn	do	343,948	340,309	57,535	77,280	9,539	730	195,225	3,639	+12.0	+18.8
Malden	do	133,467	133,435	43,494	33,696	6,673	264	49,308	32	-5.8	-7.5
New Bedford	do	288,632	287,130	63,511	79,686	13,146	933	129,854	1,502	-20.4	-15.4
Newton	do	89,041	86,831	32,272	18,736	7,927	152	27,744	2,210	-9.1	-18.0
Springfield	do	377,336	373,152	109,467	85,853	24,773	928	182,131	4,184	-3.7	-1.2
Worcester	do	444,620	439,354	139,768	97,487	27,872	833	173,394	5,266	-2.7	-6.8
Michigan:											
Detroit	County	3,315,835	3,301,113	828,900	244,042	337,524	5,052	1,885,595	714,722	+4.4	-26.3
Flint	do	290,247	290,100	49,169	54,267	25,665	516	160,483	147	-21.6	-34.5
Grand Rapids	do	553,293	552,514	65,786	102,993	26,926	1,494	355,325	779	+23.5	-19.2
Pontiac	do	231,285	231,014	39,408	48,307	24,830	617	117,952	271	-9.4	-44.5
Saginaw	do	170,969	169,987	24,986	28,580	17,936	476	98,009	982	-1.6	-20.8
Minnesota:											
Duluth	do	709,712	704,976	192,901	106,487	38,110	2,733	364,745	4,736	-5.3	-18.0
Minneapolis	do	1,326,096	1,319,571	338,857	283,300	55,306	5,516	636,592	6,525	-6.2	-26.1
St. Paul	do	672,971	667,347	210,813	109,498	28,213	3,187	315,636	5,624	-6.9	-21.4
Missouri:											
Kansas City	do	841,180	831,264	80,152	168,127	17,337	910,200	555,448	9,916	-11.4	-14.3
St. Louis	City and county	1,534,475	1,514,576	132,601	219,867	64,211	916,450	1,081,447	19,899	-5.5	-26.3
Nebraska: Omaha	County	542,970	533,666	15,313	76,025	36,376	2,355	403,597	9,304	-8.8	-16.9
New Jersey:											
Jersey City	City	313,083	312,624	119,441	27,300	26,452	1,185	138,246	6,459	-6.8	-41.8
Newark	do	1,015,513	1,011,818	420,553	62,991	63,255	2,400	462,619	3,695	-1.8	-25.7
Trenton	do	192,627	191,145	47,533	17,873	13,876	820	111,043	1,482	+9.2	-20.6

See footnotes at end of table.



Table 2.—Amount of public and private assistance and earnings of persons employed on projects operated by the Work Projects Administration, by urban areas, April 1940—Continued

[Corrected to June 30, 1940]

State and city	Area included	Total <sup>1</sup>	Public funds						Private funds <sup>2</sup>	Percentage change in total from—	
			Total	General relief <sup>3</sup>	Old-age assistance	Aid to dependent children <sup>4</sup>	Aid to the blind <sup>5</sup>	WPA earnings <sup>6</sup>		March 1940	April 1939
New York:											
Albany.....	City.....	\$114,078	\$112,040	\$45,938	\$16,805	\$5,306	\$694	\$43,297	\$2,038	-13.3	-18.6
Buffalo.....	County.....	1,524,379	1,509,386	\$45,694	104,827	61,216	3,305	494,344	14,963	+2.5	-16.1
New Rochelle.....	City.....	99,490	96,925	65,994	12,647	9,398	0	13,885	555	-5.2	-2.4
New York.....	do.....	16,895,764	16,669,455	8,183,316	1,534,331	1,166,722	42,741	7,742,344	226,309	+7.7	-25.7
Niagara Falls.....	do.....	104,906	104,111	55,856	8,687	8,419	199	37,970	795	-1.5	-14.2
Rochester.....	do.....	657,201	652,322	385,655	118,198	37,322	2,894	109,523	3,969	-7.2	-20.7
Syracuse.....	County.....	816,196	812,421	281,899	77,995	22,998	1,354	158,175	3,775	-7.7	-11.5
Utica.....	City.....	169,274	166,875	83,631	31,634	13,431	894	37,785	2,399	-8	-16.3
Yonkers.....	do.....	245,250	243,586	112,447	21,076	19,861	482	89,741	1,664	-2.9	-24.3
North Carolina:											
Asheville.....	County.....	132,800	132,800	3,602	13,051	5,642	978	109,527	421	-5.3	-2.5
Charlotte.....	do.....	111,398	110,977	4,941	17,767	7,284	1,442	79,553	89	+4.5	+2.6
Greensboro.....	do.....	101,454	101,415	2,889	16,250	8,645	1,299	72,634	89	+4.5	+2.6
Winston-Salem.....	do.....	136,960	131,386	7,121	14,373	6,857	1,249	101,786	5,874	+7.8	+4.0
Ohio:											
Akron.....	do.....	938,901	936,117	99,609	83,952	13,248	1,775	737,533	2,784	+3.2	-22.9
Canton.....	do.....	395,967	395,905	36,705	88,442	11,134	1,942	257,685	79	+7	-20.7
Cincinnati.....	do.....	1,078,030	1,061,821	243,064	203,420	23,290	4,948	678,801	16,509	-7	-18.9
Cleveland.....	do.....	3,062,715	3,046,068	694,620	245,751	102,193	8,568	2,054,936	96,647	-3.9	-38.0
Columbus.....	do.....	780,313	778,429	119,100	177,673	17,589	6,388	457,490	1,884	-3.7	-19.0
Dayton.....	do.....	626,764	625,118	93,595	127,622	12,829	2,578	268,494	1,646	-3.2	-20.9
Springfield.....	do.....	169,015	169,010	7,989	54,816	4,259	1,377	100,619	5	-2.2	-12.1
Toledo.....	do.....	856,669	855,539	94,659	135,899	15,565	4,328	605,118	1,130	+9.0	-33.4
Youngstown.....	do.....	409,393	408,468	48,967	53,758	10,198	3,554	296,014	900	+5.3	-36.3
Oklahoma: Tulsa.....	do.....	218,552	212,662	6,134	87,298	30,468	2,985	96,777	5,890	-7.0	-16.9
Oregon: Portland.....	do.....	698,049	692,916	106,710	163,552	34,399	4,864	294,397	2,133	-6.0	-17.6
Pennsylvania:											
Allentown.....	do.....	185,020	184,289	26,920	23,549	10,374	5,394	118,052	731	-4.5	-38.6
Altoona.....	do.....	390,828	390,740	53,547	32,648	20,950	6,600	246,995	88	+34.3	+2.8
Bethlehem.....	do.....	211,048	210,199	32,923	24,770	11,923	5,472	135,111	849	-2.4	-30.2
Chester.....	do.....	225,667	223,924	35,208	34,858	18,955	7,266	127,637	1,743	-0.0	-26.6
Erie.....	do.....	296,467	296,359	92,570	53,621	22,978	8,063	119,137	108	+2.7	-32.4
Johnstown.....	do.....	434,179	433,836	69,583	30,061	31,144	7,378	289,632	341	+31.5	-23.1
Philadelphia.....	do.....	4,173,182	4,131,843	1,835,092	476,420	397,676	73,288	1,349,367	41,339	-4	(9)
Pittsburgh.....	do.....	2,979,337	2,956,831	1,096,419	281,064	187,426	37,856	1,354,066	22,506	-0.8	-26.4
Reading.....	do.....	268,127	266,601	67,569	42,867	13,655	9,397	233,113	1,526	-2.2	-18.3
Seranton.....	do.....	846,887	841,391	309,196	68,614	48,854	10,890	313,837	5,196	-1.6	-20.1
Wilkes-Barre.....	do.....	1,066,904	1,065,098	485,846	82,120	65,124	15,373	416,638	1,806	-3.1	-20.3
Rhode Island: Providence.....	City.....	482,095	475,453	159,606	58,705	19,938	538	236,696	6,612	-5.6	+6.7
South Carolina: Charleston.....	County.....	164,118	163,582	2,654	9,598	4,157	608	146,585	536	-6.4	-20.6
Tennessee:											
Knoxville.....	do.....	190,053	190,083	3,098	17,754	20,400	737	148,044	4,636	-12.4	+12.7
Memphis.....	do.....	345,359	338,723	2,834	50,765	25,363	3,083	256,679	3,523	-6.5	+16.8
Nashville.....	do.....	285,063	251,560	2,684	41,801	27,220	2,491	177,364	3,523	-4.6	+22.4
Texas:											
Dallas.....	do.....	332,039	349,306	15,720	69,974	793	-----	262,819	2,733	-9.0	-11.5
El Paso.....	do.....	95,531	95,082	355	8,752	-----	-----	85,975	449	-12.5	+4.3
Fort Worth.....	do.....	347,025	346,569	12,137	52,881	-----	-----	281,551	486	-7.4	-4
Houston.....	do.....	316,076	312,562	21,945	58,972	-----	-----	231,645	3,514	-5.7	-8.1
San Antonio.....	do.....	314,561	311,137	56,773	56,773	-----	-----	252,364	3,424	-12.5	-12.8
Utah: Salt Lake City.....	do.....	417,228	415,230	52,224	101,084	39,185	1,507	221,230	10,998	-11.5	-4.3
Virginia:											
Norfolk.....	City.....	124,762	123,779	4,942	10,145	3,309	879	104,504	983	+32.7	+40.6
Richmond.....	do.....	173,103	167,080	19,912	12,846	3,479	1,085	129,788	6,023	-1.3	+4.2
Roanoke.....	do.....	24,250	24,250	3,147	4,786	960	457	14,870	-----	+1.2	-31.9
Washington:											
Seattle.....	County.....	815,190	806,245	114,625	233,192	35,823	8,387	417,218	5,964	-1.3	-14.1
Tacoma.....	do.....	422,220	422,220	26,284	97,466	17,995	2,682	277,793	-----	-4.4	-13.2
West Virginia: Huntington.....	do.....	129,845	129,342	9,729	11,353	5,939	801	101,520	508	-19.3	-40.0
Wisconsin:											
Kenosha.....	do.....	194,156	193,980	48,825	26,819	15,668	1,341	98,297	206	-8	-20.5
Madison.....	do.....	269,086	268,894	43,887	48,021	27,266	1,161	148,549	202	-2.0	-10.0
Milwaukee.....	do.....	1,945,513	1,935,162	537,302	229,598	108,965	9,323	1,049,974	10,351	-8	-16.3
Racine.....	do.....	171,620	171,125	53,307	29,674	20,777	903	66,465	495	-5.8	-31.2

<sup>1</sup> Excludes cost of administration; of materials, equipment, and other items incident to operation of work programs; and of transient care. Data for assistance programs differ from those for months prior to January 1940, because they include obligations incurred for burials, in addition to obligations incurred for money payments, assistance in kind, medical care, and hospitalization.

<sup>2</sup> Includes direct and work relief and statutory aid to veterans administered on basis of need.

<sup>3</sup> Includes figures for areas in States with plans approved by the Social Security Board and for areas in States not participating under the Social Security Act.

<sup>4</sup> Figures from the WPA, Division of Statistics; represent earnings of persons employed on projects operated by the WPA within these areas and cover all pay-roll periods ended during month. Figures are not available for these areas for earnings of persons employed on projects other than those operated by the WPA.

<sup>5</sup> Includes direct and work relief and aid to veterans.

<sup>6</sup> Decrease of less than 0.1 percent.

<sup>7</sup> Includes estimate.

<sup>8</sup> Related to city.

<sup>9</sup> Estimated.

<sup>10</sup> Incomplete, since figures are not obtainable for 1 relief program.



## General Relief Operations of Public Agencies in Selected Large Cities, May 1940

Reports on general relief operations of public agencies were received from the 18 cities in the United States with populations of more than 400,000 in 1930, and from Rochester, New York, which is smaller.

### Cases Aided and Amount of Relief

During May in these 19 cities 563,800 cases were aided with an expenditure from general relief funds of \$17.5 million. Three percent fewer cases were aided than in April, and 4 percent less was expended.

All cities except Boston and Newark assisted fewer cases than in the previous month; expenditures were less in all cities except Boston and Philadelphia. The decline in cases amounted to 10 percent in Cincinnati and Pittsburgh, and the decline in expenditures to 14, 13, and 10 percent in Buffalo, Rochester, and Minneapolis, respectively.

### General Relief in Addition to Other Types of Income

Table 4 presents available data on the extent to which general relief was granted to cases in households in which other income or assistance was also received. In Newark 22 percent of the general relief cases also received earnings from

regular employment. In Milwaukee and Minneapolis 14 percent of the cases and in Cleveland 13 percent of the cases were receiving general relief to supplement WPA earnings. In 34 percent of the cases in Baltimore general relief supplemented payments for aid to dependent children.

### Case Turn-Over

Eight cities opened fewer cases than in the preceding month. In Detroit the decline amounted to 42 percent, and in Chicago, Milwaukee, New York, Rochester, and St. Louis to between 10 and 30 percent. Eleven cities opened more cases than in the preceding month; with the exception of New Orleans, where the number of cases opened was comparatively small, the largest relative increase—18 percent—occurred in Boston.

All cities except Boston and Newark closed more cases than were opened during May. In order to measure the effect of openings and closings on the case load, accession and separation rates were computed for each city, based on the average number of cases open at the beginning and end of the month. Accession rates ranged from 4 in Chicago and Rochester to 18 in San Francisco; separation rates ranged from 5 in Chicago to 26 in San Francisco. Relatively large decreases in case load occurred in Pittsburgh with an accession rate of 10 and a separation rate of 22 and in Minneapolis with an accession rate of 7

Table 3.—Number of cases receiving general relief, amount of relief, and average amount per family and one-person case in selected cities, May 1940

City	Number of cases receiving relief	Amount of relief <sup>1</sup>	Average amount		Percentage change from April 1940 in—	
			Per family case	Per one-person case	Number of cases	Amount of relief
Baltimore.....	6,802	\$155,267	( <sup>2</sup> )	( <sup>2</sup> )	-5.5	-7.9
Boston.....	18,549	448,125	\$30.59	\$21.04	+4.7	+4.8
Buffalo.....	18,512	614,143	38.69	16.76	-5.4	-14.4
Chicago.....	<sup>3</sup> 86,989	<sup>3</sup> 2,808,408	( <sup>2</sup> )	( <sup>2</sup> )	-6	-8.5
Cincinnati <sup>4</sup> .....	7,901	187,235	25.85	18.10	-9.7	-8.1
Cleveland.....	21,270	467,347	26.98	16.37	-2.0	-8.9
Detroit.....	18,818	623,269	( <sup>2</sup> )	( <sup>2</sup> )	-2	-2.2
District of Columbia <sup>5</sup> .....	2,132	53,620	30.13	19.54	-6.4	-6.6
Los Angeles.....	53,277	1,603,410	38.68	17.15	-3.8	-1.7
Milwaukee <sup>6</sup> .....	21,541	520,399	30.05	12.74	-2.7	-4.6
Minneapolis.....	12,437	278,891	27.79	15.92	-6.5	-10.4
Newark.....	13,123	401,858	( <sup>2</sup> )	( <sup>2</sup> )	+2.4	-4.4
New Orleans.....	2,480	50,282	26.77	16.42	-9	-2
New York.....	156,460	5,998,680	44.53	27.16	-1.4	-3.0
Philadelphia.....	<sup>6</sup> 90,880	1,838,610	( <sup>2</sup> )	( <sup>2</sup> )	-4.9	+5
Pittsburgh <sup>6</sup> .....	<sup>6</sup> 36,753	1,024,579	( <sup>2</sup> )	( <sup>2</sup> )	-9.8	-6.2
Rochester.....	8,681	301,892	39.87	18.43	-6.3	-13.0
St. Louis.....	6,339	114,210	23.07	8.37	-4.4	-7.5
San Francisco.....	12,807	341,947	39.57	19.69	-5.3	-2.8

<sup>1</sup> Excludes cost of administration; of materials, equipment, and other items incident to operation of work programs; and of special programs.

<sup>2</sup> Not available.

<sup>3</sup> Includes cases receiving aid from special departments.

<sup>4</sup> Figures relate to entire county in which city is located.

<sup>5</sup> Accepts only unemployable cases.

<sup>6</sup> Includes duplications, since in some cases relief was granted more than once during month.



Table 4.—General relief cases in households receiving other types of income or assistance in selected cities, May 1940

City	Number of cases receiving relief	Percent of general relief cases in households receiving—					
		Earnings from regular employment	WPA earnings	Unemployment benefits	Old-age assistance	Aid to dependent children	Aid to the blind
Baltimore.....	6,802	0.8	0.3	0.9	1.9	33.7	0.1
Buffalo.....	18,512	10.2	9.3	1.0	2.7	1.3	.2
Chicago.....	86,989	( <sup>1</sup> )	1.2	.1	3.0	.2	( <sup>1</sup> )
Cincinnati <sup>2</sup> .....	7,901	4.2	2.9	1.9	5.6	.1	.4
Cleveland.....	21,270	5.7	12.9	.8	.8	( <sup>3</sup> )	.1
Detroit.....	18,818	4.2	8.1	.9	2.8	4.2	.2
District of Columbia <sup>4</sup> .....	2,132	( <sup>1</sup> )		( <sup>1</sup> )	5.5	.1	.4
Los Angeles <sup>2</sup> .....	48,364	( <sup>1</sup> )	.2	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Milwaukee <sup>2</sup> .....	21,541	6.7	13.7	.8	2.2	.3	.1
Minneapolis.....	12,437	1.4	13.5	.2	5.0	4.2	( <sup>1</sup> )
Newark.....	13,123	22.0	4.6	1.7			
New Orleans.....	2,480		2.4		1.2	1.0	.1
New York.....	156,460	5.8	6.4	.2	2.8	1.8	.2
Philadelphia.....	60,880	( <sup>1</sup> )	2.1	.8	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Pittsburgh <sup>2</sup> .....	36,753	( <sup>1</sup> )	4.5	1.4	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Rochester.....	8,681	14.7	6.4	.9	5.6	2.9	.2
San Francisco <sup>2</sup> .....	11,036	( <sup>1</sup> )	.1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )

<sup>1</sup> Not available.<sup>2</sup> Figures relate to entire county in which city is located.<sup>3</sup> Less than 0.1 percent.<sup>4</sup> Accepts only unemployable cases.<sup>5</sup> Figures relate to cases open on last day of month.

and a separation rate of 18. The greatest relative turn-over was in San Francisco with an accession rate of 18 and a separation rate of 26; the smallest relative turn-over was in Chicago with an accession rate of 4 and a separation rate of 5.

#### Effect of WPA Employment on Case Load

More cases were closed because of acceptance for WPA employment than were opened on loss of such employment in all cities accepting employable cases except Boston, Chicago, Milwaukee,

and Newark. The accession rate for openings on loss of WPA employment was 6 in Boston and 5 in Milwaukee, Newark, and San Francisco; the separation rate on transfer to WPA was 12 in San Francisco, 11 in Pittsburgh, and from 4 to 8 in 8 cities. The largest relative decrease because of WPA employment occurred in Pittsburgh where an accession rate of 2 was accompanied by a separation rate of 11.

In 9 cities between 25 and 44 percent of all openings during the month were attributed to loss

Table 5.—Reasons for opening general relief cases in selected cities, May 1940

City	Cases opened		Accession rate <sup>1</sup>	Percent opened for specified reason			
	Number	Percentage change from April 1940		Loss of regular employment	Loss of WPA employment	Cessation of unemployment benefits	All other reasons
Baltimore.....	714	+12.4	11.1	22.4	4.5		73.1
Boston.....	2,053	+17.8	14.1	28.3	39.9		21.5
Buffalo.....	900	+7.8	5.1	40.8	21.6	0.3	26.9
Chicago.....	3,980	-29.6	4.4	17.8	40.5	1.2	40.5
Cincinnati <sup>2</sup> .....	651	+4.2	7.2	6.3	21.5	1.7	70.5
Cleveland.....	1,245	-1.3	5.5	14.7	43.3	2.7	39.1
Detroit.....	2,333	-41.6	13.1	21.0	18.2	4.2	56.6
District of Columbia <sup>4</sup> .....	336	+5.7	14.8				100.0
Los Angeles <sup>2</sup> .....	6,336	+1.0	12.9	( <sup>3</sup> )	27.5	( <sup>3</sup> )	( <sup>3</sup> )
Milwaukee <sup>2</sup> .....	2,811	-13.3	15.0	14.7	33.3	4.0	48.0
Minneapolis.....	837	-7	7.2	21.9	25.1	4.9	48.1
Newark.....	1,525	+8.3	12.4	17.1	36.8	1.6	44.5
New Orleans.....	112	( <sup>3</sup> )	4.5				100.0
New York.....	8,510	-10.3	5.7	26.6	39.5	1.2	42.7
Philadelphia.....	4,210	+4.6	7.5	25.6	19.7	5.9	28.8
Pittsburgh <sup>2</sup> .....	3,438	+12.0	10.4	23.6	20.9	14.8	20.7
Rochester.....	352	-11.3	3.9	24.1	22.4	.3	43.2
St. Louis.....	616	-27.0	9.8	9.3	14.4		76.3
San Francisco.....	2,039	+9.4	17.7	( <sup>3</sup> )	27.5	2.2	( <sup>3</sup> )

<sup>1</sup> Cases opened as a percent of average number of cases open at beginning and end of month.<sup>2</sup> Includes cases opened because of insufficient earnings.<sup>3</sup> Figures relate to entire county in which city is located.<sup>4</sup> Accepts only unemployable cases.<sup>5</sup> Not available.<sup>6</sup> Increase. Percentage change not computed because less than 100 cases opened in April.



of WPA employment. On the other hand, from 30 to 40 percent of the closings in 4 cities and 45 to 50 percent of the closings in Cleveland, Detroit, Pittsburgh, St. Louis, and San Francisco were accounted for by placement on WPA projects.

### Effect of Regular Employment on Case Load

In all cities, except Newark, for which complete data were available more cases were closed because regular employment was obtained than were opened on loss of such employment. The accession rate on loss of regular employment was 5 in Boston, 4 in Pittsburgh, and 3 or less in the other cities; the separation rate because such employment was obtained was 6 in Boston, Milwaukee, and Minneapolis, and between 4 and 5 in 6 cities. The greatest relative decrease in case load because of employment occurred in Minneapolis with an accession rate of 2 and a separation rate of 6.

In 6 cities loss of regular employment was responsible for more than 25 percent of the cases opened during May. In Buffalo this reason accounted for 41 percent of all openings during the month. Obtaining employment accounted for 45 percent of the closings in Boston and Rochester and for 25 to 37 percent of the closings in 8 cities.

### Effect of Unemployment Benefits and Old-Age Retirement and Survivors Benefits on Case Load

Milwaukee alone showed an increase in case load because the number of cases opened on cessation of unemployment benefits exceeded the number closed on receipt of such benefits. Cessation of benefits was reported as the reason for 15 percent of the openings during the month in Pittsburgh, and 4 to 6 percent of the openings in Detroit, Milwaukee, Minneapolis, and Philadelphia. A new benefit year began April 1 in Illinois, Maryland, Massachusetts, and New York. In the cities located in these States, 1 percent or less of May openings were attributed to loss of unemployment benefits. Twelve to 14 percent of the closings in Buffalo, Chicago, and New York and 4 to 9 percent of the closings in Baltimore, Boston, and Rochester were effected because of receipt of such benefits. Receipt of benefits also accounted for 4 to 9 percent of the closings in five other cities.

Eleven cities reported no cases closed because of payments of old-age retirement and survivors benefits. In the 7 cities reporting cases closed for this reason such closings comprised 2 percent of the total in Newark and less than 1 percent in the other cities.

Table 6.—Reasons for closing general relief cases in selected cities, May 1940

City	Cases closed		Separation rate <sup>1</sup>	Percent closed for specified reason						
	Number	Percentage change from April 1940		Regular employment obtained	Increased earnings or income	Transfer to the WPA	Receipt of unemployment benefits	Receipt of old-age retirement and survivors benefits	Transfer to special types of public assistance	All other reasons
Baltimore.....	941	-21.8	14.6	17.4	0.8	24.2	4.2	0.1	5.5	47.8
Boston.....	1,974	+50.2	13.6	45.3	( <sup>2</sup> )	18.1	6.7		8.3	( <sup>3</sup> )
Buffalo.....	2,365	+52.4	13.4	36.5	7.2	15.1	13.7		2.1	25.4
Chicago.....	4,180	-6.3	4.6	36.1	10.5	12.1	13.2	( <sup>3</sup> )	4.6	( <sup>3</sup> )
Cincinnati.....	1,480	-47.0	16.3	25.3	16.8	23.9	2.5		1.4	30.1
Cleveland.....	1,945	+26.3	8.6	24.7	.6	49.1	2.7		1.5	21.4
Detroit.....	3,080	+39.9	17.3	22.1	9.7	45.4	3.5		5.2	14.1
District of Columbia.....	397	-30.6	17.5	9.3	9.3	9.3	1.3		13.1	57.7
Los Angeles.....	7,514	-25.1	15.3	23.0	2.3	29.9	3.8	.1	7.0	33.9
Milwaukee.....	3,825	+12.0	20.4	29.4	4.4	19.5	1.6	.1	1.6	43.4
Minneapolis.....	2,080	+4.8	18.0	33.6	7.8	14.6	3.2		2.3	38.5
Newark.....	1,211	+2.0	9.8	21.5	2.0	12.9	3.5	1.6	1.4	57.1
New Orleans.....	209	+25.1	8.5	2.4	4.3	31.1			36.4	25.8
New York.....	10,862	+12.5	7.3	24.9	10.0	34.4	12.0	.1	5.5	13.1
Philadelphia.....	8,506	-21.6	15.1	26.2	6.9	29.8	8.0	( <sup>3</sup> )	7.9	14.2
Pittsburgh.....	7,159	+11.0	21.6	22.1	5.9	49.5	8.9	.1	5.8	7.7
Rochester.....	880	+35.4	9.8	44.5	15.9	14.3	8.9		3.1	12.3
St. Louis.....	928	-43.6	14.8	10.4	2.9	45.4	1.8		22.6	16.9
San Francisco.....	2,977	+19.1	25.9	11.1	.9	45.4	2.9		1.8	37.9

<sup>1</sup> Cases closed as a percent of average number of cases open at beginning and end of month.

<sup>2</sup> Not available.

<sup>3</sup> Includes cases transferred to the NYA and CCC.

<sup>4</sup> Figures relate to entire county in which city is located.

<sup>5</sup> Accepts only unemployable cases.

<sup>6</sup> Less than 0.1 percent.



# OLD-AGE AND SURVIVORS' INSURANCE

BUREAU OF OLD-AGE AND SURVIVORS INSURANCE • ANALYSIS DIVISION

## AVERAGE SIZE OF BENEFITS ALLOWED DURING THE FIRST FOUR MONTHS OF OPERATION\*

Data for the first 4 months of operation<sup>1</sup> of the old-age and survivors insurance program under the 1939 amendments make possible an analysis of the average size of claims for the different types of benefits by Social Security Board regions (table 1). The geographic distribution of the cumulative number of claims allowed may be considered as relatively significant because few changes of address and terminations of eligibility have occurred during this short period of operation.

During this period no claims for parent's benefits had been allowed, but during May they numbered about 150. It should also be pointed out that the child's benefits include those payable both to children of deceased insured workers and children of primary beneficiaries. However, since primary beneficiaries must be aged 65 or over, the number with children under 18 is relatively small, so that the vast majority of the child's benefits are payable with respect to orphans. It is estimated about 85 percent of all the children entitled to benefits are orphans; this proportion will probably increase in the future.

Regional differences in the average size of claims allowed range from 19 to 42 percent. Because of the weighted nature of the benefit formula, this variation is small in comparison with regional variations in average taxable wages of individuals covered by the program.<sup>2</sup> Both the primary and wife's average benefits showed the least regional variation, with the highest average 19 percent above the lowest. Larger percentage variations between the high and low average occurred for all the other types of benefits; 25 percent for widow's current benefits, about 35 percent for child's and lump-sum death benefits, and 42 percent for widow's benefits. The relatively small total number of widow's benefits allowed—396—probably accounts for the greater

diversity in these averages because accidental fluctuations are more likely to occur in a small group. For each type of benefit, the regional average was above the United States average for regions III, VI, and XII and below for regions VII, IX, and X.

Table 1.—Claims for benefits under the 1939 amendments: Average amount payable<sup>1</sup> for number allowed, by type of benefit<sup>2</sup> and by region, cumulative through April 1940

Item	Monthly benefits					Lump-sum death benefits <sup>2</sup>
	Primary	Wife's	Child's	Widow's	Widow's current	
Total number allowed...	85,915	6,307	12,185	396	4,551	13,149
Average amount payable						
All regions.....	\$21.83	\$11.05	\$12.27	\$20.53	\$20.37	\$146
Region I.....	21.75	11.88	12.16	20.66	20.48	143
Region II.....	22.65	12.02	13.56	20.22	21.88	161
Region III.....	22.57	11.82	12.57	20.93	20.49	148
Region IV.....	20.19	11.02	11.11	21.23	18.51	134
Region V.....	21.96	11.60	12.65	20.87	20.45	145
Region VI.....	22.57	12.16	13.04	20.61	21.18	153
Region VII.....	19.16	10.25	10.11	16.62	17.55	119
Region VIII.....	21.07	11.36	12.39	22.12	21.14	140
Region IX.....	20.58	10.88	11.98	16.24	20.13	140
Region X.....	20.78	10.76	11.31	20.09	18.90	136
Region XI.....	21.64	11.74	12.64	20.14	20.86	149
Region XII.....	22.75	12.12	13.38	22.12	21.91	158
Average amount payable as percent of primary benefit.....	100	54	56	94	93	668

<sup>1</sup> Represents amount payable without adjustments required by secs. 203 or 907 of the Social Security Act Amendments of 1939; therefore differs from amount certified to the Secretary of the Treasury.

<sup>2</sup> No parent's benefits were allowed during this period.

<sup>3</sup> Rounded to nearest dollar.

Under the benefit formula, all monthly benefits for dependents and survivors of insured workers are calculated as percentages of the primary benefit. For the United States as a whole, however, the average sizes of the different types of benefits payable during the 4 months were larger in relation to the average primary benefit than would be expected from the formulas used in computing the benefits. Certain deductions may be made concerning the factors causing these divergencies, which may lessen in the future as

\* Prepared in the Office of the Actuary.

<sup>1</sup> See the *Bulletin*, May 1940, pp. 50-53.

<sup>2</sup> Murray, Merrill G., and Wood, Katherine D., "State Differences in Characteristics and Average Taxable Wages of Covered Employees, 1937," *Social Security Bulletin*, Vol. 2, No. 9 (September 1939), pp. 13-24.



the volume of claims increases and the data become more typical.

The fact that the average amount of the wife's benefit is 54 percent of the average primary benefit apparently indicates that the wages of the married men are higher than those of the single men included among the primary beneficiaries, since the wife's benefit is computed at 50 percent of the husband's primary benefit. The average primary benefit is probably somewhat affected by the presence of female primary beneficiaries whose wages tend to be lower than men's.<sup>3</sup> If the average size of the wife's benefits could be compared with the average primary benefit for men only, the ratio would be nearer 50 percent.

Although the child's benefit is calculated as 50 percent of the primary benefit of the worker with respect to whose wages the child is entitled to receive benefits, the child's benefits for the 4 months average 56 percent of the average primary benefit. This discrepancy probably results from two factors. The majority of the child's benefits are based on wages of insured men who die during middle age, when earning power is at its highest. The primary benefits, on the other hand, are based on recent wages of persons aged 65 or over, when earnings tend to be lower.<sup>3</sup>

The widow's benefit averages 94 percent of the average primary benefit allowed, although the widow's benefit is calculated at 75 percent of the primary benefit of the husband. In this situation, the age and earning factor is not as influential as in the case of the child's benefits. To be eligible for widow's benefits, the widow of the deceased worker must be at least 65 years of age. During the early years of the program, these widows will in general have been married to men aged 65 or over, and the earning period represented by the wages of the deceased worker is approximately that represented by the primary beneficiaries. The higher average of widow's benefits is probably explained by the fact that most wives of older workers are not themselves employed and so claim the widow's benefit regardless of the former wages of the husband, whereas eligible primary beneficiaries may tend not to file claims if they are currently receiving high wages. As a result, the widow's benefits may, in general, be based on

all ranges of earnings of individuals eligible for primary benefits, while the primary benefits allowed are claimed in relatively greater frequency by workers in the low-wage groups.

The average size of the widow's current benefit, which is computed at 75 percent of the primary benefit of the deceased worker, is 93 percent of the average primary benefit allowed, or at approximately the same level as the average for widow's benefits. Widow's current benefits differ from widow's benefits in that they are payable regardless of the widow's age and only if she has in her care one or more children of the deceased individual who are entitled to receive child's benefits. Therefore the same factor operates here as was indicated in connection with child's benefits; i.e., the benefits represent wages of middle-aged workers at a period of high earning capacity. Also, as was pointed out with respect to widow's benefits, it is probable that all survivors' claims are filed regardless of the wages of the workers, whereas the workers with smaller wages claim primary benefits in relatively greater frequency than do workers in the higher income groups.

If the average amount of the widow's current benefit is compared with the average for the child's benefit, the former will be found to be about two-thirds greater. According to the benefit formula, it should be only about one-half greater, since it is 75 percent of the primary benefit of the deceased worker, whereas the child's benefit is 50 percent. One possible explanation of this difference is that the number of children per mother is less among higher paid workers because of smaller families, and therefore the average amount of the child's benefit would be weighted adversely by the greater proportion of benefits based on low wages. The situation may readily be seen from a simple illustration of two families—one in which the husband, with a wife and one child, earns \$3,000 per year, the other in which the husband, with a wife and two children, earns \$600 per year. Disregarding increments for years of coverage, the monthly benefits for the first family would be \$30 for the widow and \$20 for the child; for the second family, benefits would be \$15 for the widow and \$10 for each of the two children. The two widows would receive a total of \$45 or an average of \$22.50, while the three children would receive a total of \$40 or an average of \$13.33. The widow's current benefit

<sup>3</sup> See Wasserman, Max J., and Wood, Katherine D., "Age and Sex Differentials in Taxable Wages Reported for 1937," *Social Security Bulletin*, Vol. 2, No. 6 (June 1939), pp. 8-17.



would thus average 69 percent more than would the child's benefit, rather than the 50 percent that might be expected from the formulas. The divergence shown in this example would be further intensified if the man earning \$600 had had three children; the widow's current benefit would then have averaged 86 percent more than the child's benefit.

The average lump-sum death payment is about 6.7 times as large as the average primary benefit allowed, although such payments are calculated at 6 times the primary benefit for each individual

case. In all probability this difference is in large part due to the fact that all claims for lump sums will tend to be filed regardless of wage level, whereas the level of claims for primary benefits is probably affected by the relatively larger proportion of claims filed by low paid workers, who have less prospect of future employment than do higher paid workers. Since the majority of these death claims are based on the wages of older workers whose wage level has decreased, divergence from the level represented by average primary benefits does not operate as an important factor.

## OPERATIONS UNDER THE SOCIAL SECURITY ACT

### *Employee Accounts Established in Baltimore*

The 334,211 new accounts established during May (table 3) represent a decrease of 7.3 percent from the previous month. The decline probably resulted from the usual seasonal midyear drop in employment. In addition to 761 accounts voided as a result of spoilage of forms, 32,887 accounts were canceled because more than one account number was held by the same individual. The number of accounts canceled decreased 5.8 percent from April. The net cumulative total of accounts established amounted to 49.4 million as of the end of May.

### *Wage Records*

Of the 12.2 million wage items received by the Board during the period May 1-25, 11.6 million items represented wages for the first quarter of 1940. The cumulative total of wage items for

the first quarter of 1940 reached 12.5 million, 56.9 percent of which had been recorded on punch cards preparatory to matching with and posting to permanent records. All 1939 wage items received to date have been punched. Of the 135.2 million wage items received for the 1939 accounting year and the first quarter of 1940, 96.1 percent have been punched and 90.5 percent matched with their proper individual accounts for posting.

Wage records furnished in May for the adjudication of claims increased to 27,346 from the 25,588 submitted in April. Requests from wage earners for statements of 1938 recorded earnings continued to decline; 20,201 original requests were received in May in contrast to 29,128 in April. The cumulative total of original requests for 1938 statements amounted to 301,674 at the end of May. During this month, 15,513 statements of 1938 recorded earnings were forwarded to wage earners; the cumulative total of such statements forwarded rose to 291,685.

Table 2.—Claims for benefits under the 1939 amendments: Number and disposition of claims received in Washington, cumulative through June 1940 and for June 1940

Type of benefit claim	Cumulative through June				June				In process as of June 30, 1940
	Received	Allowed	Withdrawn	Disallowed	Received	Allowed	Withdrawn	Disallowed	
Total.....	177,606	137,199	3,530	5,417	31,753	29,305	577	1,304	31,440
Primary.....	81,446	63,015	2,643	2,302	11,840	11,227	391	381	13,486
Wife's.....	17,161	13,235	285	263	3,571	3,313	52	58	3,378
Child's.....	31,107	23,963	453	830	5,857	5,478	75	252	5,861
Widow's.....	1,630	1,111	10	62	476	376	1	11	447
Widow's current.....	11,405	9,298	42	235	2,300	2,216	9	79	1,860
Parent's.....	725	234	7	24	153	71	-----	7	460
Lump-sum.....	34,132	26,373	110	1,701	7,556	6,624	40	516	5,948



**Table 3.—Employee accounts established in Baltimore, by States in which account numbers were issued, May 1940<sup>1</sup>**

Social Security Board region and State	Employee accounts established		
	May		Cumulative through May <sup>1</sup>
	Total	Net <sup>2</sup>	
Total.....	334,211	300,563	40,360,006
Region I:			
Connecticut.....	3,707	3,292	782,181
Maine.....	1,655	1,401	326,336
Massachusetts.....	9,422	7,893	1,911,228
New Hampshire.....	944	813	206,237
Rhode Island.....	1,364	1,123	338,210
Vermont.....	775	694	116,253
Region II:			
New York.....	39,118	34,795	6,500,193
Region III:			
Delaware.....	797	735	112,758
New Jersey.....	9,886	8,996	1,780,592
Pennsylvania.....	22,267	20,598	4,015,386
Region IV:			
District of Columbia.....	2,325	2,275	315,597
Maryland.....	4,638	4,097	697,047
North Carolina.....	8,530	7,634	1,046,024
Virginia.....	7,866	7,128	816,834
West Virginia.....	5,016	4,586	646,980
Region V:			
Kentucky.....	6,683	5,763	794,389
Michigan.....	12,252	10,996	2,186,019
Ohio.....	15,210	13,976	2,847,836
Region VI:			
Illinois.....	22,013	20,870	3,406,372
Indiana.....	9,436	8,901	1,287,913
Wisconsin.....	5,870	5,421	987,593
Region VII:			
Alabama.....	7,547	6,047	770,593
Florida.....	5,958	5,042	780,926
Georgia.....	9,051	7,289	962,141
Mississippi.....	4,338	3,495	443,566
South Carolina.....	4,453	3,799	537,704
Tennessee.....	8,280	7,155	887,089
Region VIII:			
Iowa.....	5,900	5,538	636,235
Minnesota.....	5,542	5,254	837,472
Nebraska.....	2,986	2,821	354,373
North Dakota.....	1,016	928	126,290
South Dakota.....	1,238	1,157	139,656
Region IX:			
Arkansas.....	5,791	5,180	440,270
Kansas.....	4,203	4,014	515,370
Missouri.....	10,365	9,578	1,372,344
Oklahoma.....	5,898	5,484	700,772
Region X:			
Louisiana.....	5,883	5,003	732,617
New Mexico.....	1,806	1,601	146,152
Texas.....	17,192	15,498	2,134,935
Region XI:			
Arizona.....	1,633	1,505	184,796
Colorado.....	2,545	2,284	397,777
Idaho.....	1,373	1,289	173,511
Montana.....	1,553	1,474	194,276
Utah.....	1,373	1,240	187,784
Wyoming.....	890	835	80,941
Region XII:			
California.....	16,906	14,987	3,175,383
Nevada.....	408	373	48,764
Oregon.....	3,225	2,957	423,038
Washington.....	4,933	4,651	687,691
Territories:			
Alaska.....	312	303	25,281
Hawaii.....	2,219	2,155	167,275

<sup>1</sup> Neither the monthly nor the cumulative total of accounts established should be taken as a measure of the number of persons engaged in employment covered by title II, since account numbers are issued to some persons who are not in such employment.

<sup>2</sup> Represents total less cancellations and voids plus reinstatements.

**Table 4.—Claims for lump-sum death payments under the 1935 act:<sup>1</sup> Number received in Washington, and number and amount certified by the Social Security Board to the Secretary of the Treasury, by States, May 1940**

Social Security Board region and State	Number of claims		Amount certified	
	Received	Certified	Total	Average
Cumulative through May 1940.....	301,817	290,625	\$18,124,474	\$62.36
Total, May 1940.....	2,116	3,841	256,197	66.70
Region I:				
Connecticut.....	26	82	2,683	51.00
Maine.....	28	41	2,943	71.78
Massachusetts.....	122	261	13,926	69.29
New Hampshire.....	18	18	2,645	146.96
Rhode Island.....	7	11	410	37.80
Vermont.....	8	9	553	61.62
Region II:				
New York.....	303	611	56,559	92.56
Region III:				
Delaware.....	3	10	581	58.10
New Jersey.....	56	146	13,075	89.55
Pennsylvania.....	127	177	13,690	77.35
Region IV:				
District of Columbia.....	14	15	1,108	72.80
Maryland.....	19	33	2,669	80.87
North Carolina.....	31	67	3,393	50.44
Virginia.....	47	79	5,497	44.27
West Virginia.....	43	89	6,571	72.83
Region V:				
Kentucky.....	48	60	2,789	46.46
Michigan.....	66	120	8,624	71.87
Ohio.....	99	158	9,712	61.47
Region VI:				
Illinois.....	113	294	22,240	78.66
Indiana.....	45	71	4,752	68.06
Wisconsin.....	39	72	5,263	72.10
Region VII:				
Alabama.....	35	74	2,634	35.00
Florida.....	48	93	3,681	39.26
Georgia.....	57	87	2,270	26.10
Mississippi.....	21	43	1,499	34.85
South Carolina.....	19	42	1,570	37.39
Tennessee.....	40	87	2,270	36.82
Region VIII:				
Iowa.....	30	63	2,484	36.46
Minnesota.....	88	83	5,007	60.32
Nebraska.....	19	31	1,356	43.73
North Dakota.....	7	4	109	27.23
South Dakota.....	11	10	249	24.86
Region IX:				
Arkansas.....	29	52	3,140	60.30
Kansas.....	15	34	1,885	55.44
Missouri.....	45	71	3,889	54.77
Oklahoma.....	24	61	3,549	58.18
Region X:				
Louisiana.....	33	57	2,921	51.26
New Mexico.....	4	13	474	36.47
Texas.....	91	163	6,772	41.55
Region XI:				
Arizona.....	11	20	1,372	66.61
Colorado.....	24	37	2,500	67.58
Idaho.....	3	21	881	41.96
Montana.....	11	17	1,320	77.06
Utah.....	8	12	389	32.38
Wyoming.....	5	3	59	19.03
Region XII:				
California.....	85	205	16,013	78.11
Nevada.....	3	6	689	114.90
Oregon.....	33	46	2,340	80.87
Washington.....	27	58	3,847	66.33
Territories:				
Alaska.....	1	8	768	96.04
Hawaii.....	16	25	1,651	66.94
Foreign <sup>2</sup> .....	11	11	926	84.23

<sup>1</sup> Relate only to deaths prior to 1940.

<sup>2</sup> Claims received from persons in foreign countries.



# OPERATIONS UNDER THE RAILROAD RETIREMENT ACT\*

## Benefit Payments

Net benefit payments certified by the Railroad Retirement Board to the Secretary of the Treasury during May totaled \$9.5 million. While this amount is slightly smaller than for April, it does not differ much from the level of payments of recent months. The total amount certified in the 11 months of the fiscal year 1939-40 was \$103.9 million, which was \$6.2 million or 6.3 percent more than in the same months of the preceding fiscal year. Total payments authorized by the Board since the beginning of the retirement system amounted to \$298.4 million by the end of May.

These amounts are the total certifications for employee, survivor, and death-benefit annuities, pensions to former carrier pensioners, and lump-sum death benefits. Retroactive payments on newly certified, recertified, or reinstated claims are included, while a relatively small number of payments made in previous months and canceled during the month are deducted.

The decrease in total payments in May as compared with April is due almost entirely to the decrease of \$400,000 in employee-annuity payments. This decrease in employee annuity payments resulted from a decrease in retroactive payments on initial certifications and recertifications, both of which were smaller in May than in April.

## Changes in Annuities and Pensions in Force

The number of employee annuities in force on May 31 was 1,194 greater than on April 30, as the

\* Prepared by the Bureau of Research and Information Service, Railroad Retirement Board, in collaboration with the Bureau of Research and Statistics, Social Security Board.

result of 1,816 new certifications, 605 deaths, and some minor adjustments. The average monthly increase for the preceding 10 months is 1,335. A net increase of 44 over the preceding month was reported for survivor annuities and of 17 for death-benefit annuities in force at the end of May. The number of pensions in force decreased by 325.

## Average Payments

Payments of employee annuities initially certified in May averaged \$61.30 per month. It is estimated that this average will be raised by about \$2 when all employee annuities subject to recertification are recertified on a final basis. About 25 percent of the annuities initially certified by the Board are subject to recertification, because complete evidence as to service, earnings, and other information relating to the amount payable is not on hand when the initial certification is made.

For all employee annuities in force at the end of May, including those subject to recertification, the average monthly payment was \$65.54. The average monthly pension was \$58.64. For survivor annuities the average monthly payment amounted to \$33.19 and for death-benefit annuities, \$35.94.

During May, 1,278 lump-sum death benefits were initially certified at an average amount of \$172.78. These figures compare with 1,439 certifications in April at an average payment of \$179.08. The decrease in the average amount in May is contrary to the usual increase. The May certifications included an unusually large

Table 1.—Railroad retirement: Benefit payments certified to the Secretary of the Treasury, by class of payment for specified periods, 1936-40<sup>1</sup>

Period	Total payments <sup>2</sup>	Employee annuities	Pensions to former carrier pensioners	Survivor annuities	Death-benefit annuities	Lump-sum death benefits
Cumulative through May 1940.....	\$298,381,314	\$203,737,014	\$87,529,187	\$2,013,873	\$1,855,997	\$3,245,342
Fiscal year:						
1936-37.....	4,604,232	4,487,496	—	47,490	99,245	—
1937-38.....	83,029,794	47,281,469	34,703,025	351,237	625,106	38,954
1938-39.....	106,841,732	78,158,195	28,886,278	758,748	703,221	1,335,307
1939-40 through May.....	103,905,635	76,809,852	23,930,882	826,396	468,323	1,871,079
April 1940.....	9,947,830	7,515,235	2,078,878	82,258	46,688	224,769
May 1940.....	9,520,934	7,116,874	2,062,420	79,969	36,090	225,571

<sup>1</sup> Figures are total amounts (cents omitted) certified to the Secretary of the Treasury for payment, including retroactive payments, minus cancellations reported during period. For definitions of classes of payments, see the *Bulletin*, July 1939, p. 7.

<sup>2</sup> Total benefit payments on basis of vouchers certified to the Secretary of

the Treasury are \$8.8 million more than total on basis of checks drawn by disbursing officer as shown on p. 83, table 5. Amounts are certified to the Secretary of the Treasury and encumbered on books of the Railroad Retirement Board in latter part of month, but checks are not drawn by disbursing officer until first of following month.



number of cases whose adjudication had been delayed. These were claims for which no beneficiaries had been designated prior to the death of the employee. Such claims require considerable time in adjudication, pending the determination by the Board of eligible beneficiaries as required by the statutes of "descent and distribution" of the various States. Lump-sum payments in such cases are smaller than payments

arising from more recent deaths, since these payments are computed on the basis of earnings accumulated only since January 1, 1937. Claims which are filed without beneficiary designations are also more common among employees in the lower than in the higher-paid occupations. These two factors—lower average earnings and shorter earning periods—reduce the aggregate compensation on which the death benefits are based.

**Table 2.—Railroad retirement: Number of annuities and pensions in force and monthly amount payable at end of April and May 1940, and number of certifications and terminations in, and to the end of, May 1940<sup>1</sup>**

Period and administrative action	Total		Employee annuities		Pensions to former carrier pensioners		Survivor annuities		Death-benefit annuities <sup>2</sup>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
In force as of Apr. 30, 1940.....	142,267	\$8,983,674	103,515	\$6,786,615	35,785	\$2,096,769	2,250	\$74,835	717	\$25,458
During May 1940: <sup>4</sup>										
Initial certifications.....	1,966	116,074	1,816	111,312	<sup>3</sup> -17	-1,036	49	1,456	118	4,942
Terminations by death.....	1,092	62,927	605	28,832	382	20,511	4	140	101	3,442
Net adjustments.....	+56	+7,896	-17	+3,774	<sup>5</sup> +74	+4,108	-1	-15	0	+28
Cumulative through May 1940: <sup>4</sup>										
Initial certifications.....	177,402	10,546,369	121,978	7,494,248	48,499	2,807,861	2,401	79,141	4,524	165,117
Terminations by death.....	33,822	1,958,342	16,923	1,088,252	13,011	727,325	101	3,275	3,787	130,288
Net adjustments.....	-383	+456,691	-346	+456,874	-28	-1,005	-6	+209	-3	+552
In force as of May 31, 1940.....	143,197	9,044,718	104,709	6,862,870	35,460	2,079,330	2,294	76,135	734	26,381

<sup>1</sup> Figures based on month in which annuity or pension was first certified or terminated upon notice of death, or in which other administrative action was taken by the Board rather than on month in which annuity or pension began to accrue, beneficiary died, or administrative action was effective. Correction for a claim that had been certified or terminated in error or for an incorrect amount is made in figures for month in which error was discovered and not in figures for month in which error was made. To this extent, the figures shown here may differ slightly from actual administrative action. Cents omitted.

<sup>2</sup> Excludes temporary annuities to former carrier pensioners of which 8, aggregating \$265, remained in force on May 31, 1940. For definitions of types and bases of certification of employee annuities, see the *Bulletin*, July 1939, pp. 15-19.

<sup>3</sup> In a few cases payments are made to more than 1 survivor on account of the death of a single individual. Such payments are here counted as single items. Terminations include those by death and by expiration of 12-month period for which death-benefit annuities are payable. Practically all terminations are of latter type.

<sup>4</sup> Certifications are added, terminations by death are subtracted, and net adjustments are added or subtracted as indicated. Net adjustments are obtained by adding reinstatements of suspended payments and subtracting terminations for reasons other than death (suspensions, returns to service, and commuted lump-sum payments). Recertifications ordinarily result in additions to amount payable but do not affect number of cases certified. For this reason, net amount of adjustment bears no relation to net number of cases reported as adjusted.

<sup>5</sup> Principally pensioners certified for employee annuities and hence ineligible for pension payments. These are classified as pensions certified in error (see footnote 1) and correction is made in initial certifications during month to obtain corrected cumulative total of initial certifications.

<sup>6</sup> Principally pensioners who died while payments were suspended or were erroneously reported as suspended; these were reinstated and transferred to "terminations by death" classification. See footnote 4.



# SOCIAL AND ECONOMIC DATA

BUREAU OF RESEARCH AND STATISTICS

## SOCIAL INSURANCE PAYMENTS UNDER SELECTED PROGRAMS

Benefit payments under the four Federal and Federal-State social insurance programs for workers in industrial and commercial employment reached a new high in May 1940 with total certifications of \$68.2 million, \$7.7 million more than the highest previous total in March 1940 and \$12.1 million more than in April (chart I and table 1). Total payments under title II of the Social Security Act increased \$291,000 over April payments while total payments under the Railroad Retirement Act declined \$426,000 and under the Railroad Unemployment Insurance Act, \$411,000. Thus the increase in the total payments resulted principally from an increase of \$12.6 million in State unemployment benefits.

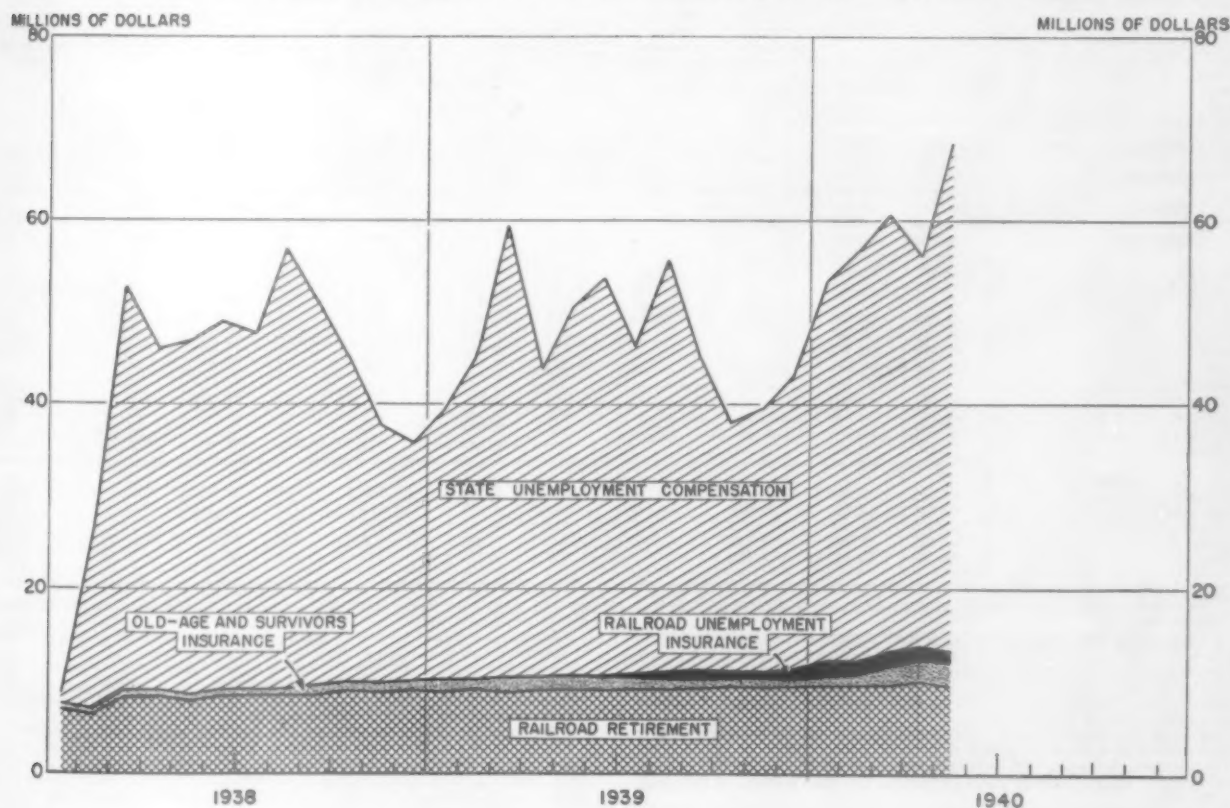
Both monthly benefits for old-age and survivors insurance under the Social Security Act and pay-

ments under State unemployment compensation laws increased between 25 and 30 percent in May. The old-age and survivors payments may be expected to continue to increase, because they are recurring payments and the number of beneficiaries is growing. Since payments to unemployment beneficiaries can last for only a few weeks or months, the total amount of unemployment benefits will not long continue at this level unless additional beneficiaries are added to the rolls.

The May increase in unemployment benefits resulted largely from the timing of administrative arrangements in the States. In the nine States<sup>1</sup> with a uniform benefit year beginning

<sup>1</sup> New York, Illinois, Massachusetts, Rhode Island, Maryland, Virginia, Maine, West Virginia, and South Dakota, in decreasing size of May payments (see p. 29).

Chart I.—Social insurance payments under selected programs, January 1938–May 1940





in April, where many claimants were serving waiting periods during part of April, May payments exceeded April payments by \$11.9 million, or almost as much as the increase in total payments. As chart I shows clearly, the increase in May 1940 is greater than that for May 1939, when only four States had a uniform benefit year beginning in April. Illinois, which was responsible for approximately 10 percent of the payments in May 1940 and for 21 percent of the increase between April and May, was not yet paying benefits in the comparable months of 1939.

The changes in beneficiaries under the programs (table 2) are in general comparable with the changes in payments. As measured by the average number of weeks compensated in calendar

weeks ended within the month, the unemployment compensation beneficiaries numbered more than 1.2 million, the highest yet reported. The number of railroad employee annuities and pensions continued to increase—to 140,200; the slight decline in payments to such beneficiaries (table 1) was due solely to a decline in retroactive payments on newly certified and recertified annuities. The number receiving monthly benefits under old-age and survivors insurance increased 37 percent to 72,400.

The greater increase in beneficiaries than in benefits certified under the old-age and survivors insurance program arises in part from a larger proportion of survivor and supplementary beneficiaries, who receive a smaller benefit than the

Table 1.—Social insurance payments under selected programs, calendar years 1936-39, and by months, January 1939-May 1940 <sup>1</sup>

[In thousands]

Year and month	Total	Old-age and survivors insurance payments						Unemployment insurance payments			
		Total	Under the Social Security Act			Under the Railroad Retirement Act <sup>4</sup>			Total	Under State unemployment compensation laws <sup>5</sup>	Under the Railroad Unemployment Insurance Act <sup>7</sup>
			Monthly benefits—primary, supplementary, and survivors <sup>2</sup>	Lump-sum death payments under 1939 amendments <sup>3</sup>	Lump-sum payments under 1935 act <sup>4</sup>	Employee annuities and pensions	Survivor and death-benefit annuities	Lump-sum death payments			
1936 total.....	\$816	\$685				\$673	\$12		\$131	\$131	
1937 total.....	44, 218	42, 086			\$1, 278	40, 354	454		2, 132	2, 132	
1938 total.....	<sup>6</sup> 505, 335	108, 934			10, 478	96, 763	1, 381	\$312	396, 401	396, 401	
1939 total.....	550, 850	124, 263			13, 895	107, 025	1, 445	1, 808	435, 587	429, 820	\$5, 767
January.....	39, 432	10, 229			1, 255	8, 738	117	119	29, 203	29, 203	
February.....	45, 074	10, 329			1, 169	8, 858	119	183	34, 745	34, 745	
March.....	59, 405	10, 532			1, 541	8, 625	105	261	48, 873	48, 873	
April.....	44, 055	10, 597			1, 466	8, 808	126	197	33, 458	33, 458	
May.....	50, 637	10, 707			1, 525	8, 804	123	165	39, 930	39, 930	
June.....	53, 770	10, 609			1, 518	8, 805	148	138	43, 161	43, 161	
July.....	46, 384	10, 511			1, 323	8, 929	128	131	35, 873	35, 596	277
August.....	55, 613	10, 100			953	8, 894	115	138	45, 513	44, 491	1, 022
September.....	44, 989	10, 003			793	8, 965	121	124	34, 986	33, 656	1, 330
October.....	37, 960	10, 293			806	9, 180	109	198	27, 667	26, 690	977
November.....	39, 556	10, 235			891	9, 067	122	125	29, 321	28, 369	952
December.....	42, 975	10, 118			655	9, 232	112	119	32, 857	<sup>8</sup> 31, 648	1, 209
1940											
January.....	53, 382	10, 496	\$76	\$3	913	9, 184	108	212	42, 886	<sup>8</sup> 41, 066	1, 820
February.....	56, 728	10, 580	251	159	584	9, 297	114	175	46, 148	<sup>8</sup> 44, 351	1, 797
March.....	60, 470	11, 493	915	659	412	9, 199	110	198	48, 977	<sup>8</sup> 47, 142	1, 835
April.....	56, 145	12, 268	1, 288	795	238	9, 594	128	225	43, 877	<sup>8</sup> 42, 292	1, 585
May.....	68, 204	12, 133	1, 621	735	256	9, 179	116	226	56, 071	<sup>8</sup> 54, 897	1, 307

<sup>1</sup> Payments to individual beneficiaries under program; figures exclude cost of administration.

<sup>2</sup> Amounts certified to the Secretary of the Treasury for payment, including retroactive payments; because of adjustments required by law, amounts are less than aggregate amounts payable on claims allowed during same period.

<sup>3</sup> Payable with respect to deaths of fully or currently insured workers after Dec. 31, 1939, in cases where no survivor could be entitled to monthly benefits for month in which worker died.

<sup>4</sup> Figures for September and subsequent months are for lump-sum death payments with respect to deaths of covered workers prior to Jan. 1, 1940. Figures through August 1939 include payments at age 65 totaling \$9.9 million; for monthly distribution of these payments, see the *Bulletin*, March 1940, p. 31, table 1.

<sup>5</sup> Amounts certified to the Secretary of the Treasury for payment. Figures

for any month represent payments certified during month, including retroactive payments, minus cancellations reported during month.

<sup>6</sup> Amount of checks issued, as reported by State agencies to the Division of Research and Statistics, Bureau of Employment Security.

<sup>7</sup> Amounts certified by regional offices of the Railroad Retirement Board to regional disbursing officers of the U. S. Treasury. Figures for any month represent payments certified during month, including retroactive payments, minus cancellations reported during month.

<sup>8</sup> For monthly figures for 1938, see the *Bulletin*, March 1940, p. 31, table 1.

<sup>9</sup> Includes \$1.2 million paid in Ohio in December 1939 and \$0.1 million in the 5 months following as adjustments on payments for previous months of 1939, resulting from recalculation of weekly benefit amounts in accordance with a court decision; May figure includes payments of \$15,000 on miners' claims resulting from labor dispute in 1939.



primary beneficiary (table 3), and in part from a decrease in the proportion of retroactive payments included in the certifications for the month. The beneficiaries certified for two checks decreased from 11 percent in April to less than 7 percent in May. As new certifications become a smaller proportion of total certifications, the proportion of retroactive payments may be expected to decline.

The net increase in monthly beneficiaries certified for payment in May—19,700—was less than the number added to the rolls in April—20,100 (table 2). However, other evidence of the growth of the program is seen in data concerning claims allowed, whether for immediate or for deferred payment. The total number of claims allowed has increased each month this year while the number of these claims in which payments were deferred for one or more months because of previous lump-sum payments has decreased both absolutely and relatively (see following data).

1940	Total claims for monthly benefits allowed	Payments deferred because of—	
		Previous lump-sum payments	Wages of \$15 or more
January.....	11,085	7,263	89
February.....	15,968	4,935	5
March.....	18,180	2,142	1,017
April.....	19,546	1,446	788
May.....	23,367	1,854	1,294

The cumulative data on beneficiaries (table 2) reflects payments suspended because of the receipt of wages of \$15 or more per month in covered employment as well as these deferred for the same reason in the month of entitlement shown above. They reflect also a lag between adjudicative determination that the claimant is entitled to benefits and certification for payment as explained in the June Bulletin, page 69.

In May the beneficiaries of the system included, for the first time, dependent parents of workers who died fully insured, leaving no widow and no unmarried child under age 18. While it is not at

Table 2.—Individuals receiving social insurance payments under selected programs, by months, January 1939–May 1940

[In thousands]

Year and month	Old-age and survivors insurance beneficiaries						Unemployment insurance beneficiaries	
	Under the Social Security Act			Under the Railroad Retirement Act			Under State unemployment compensation laws <sup>7</sup>	Under the Railroad Unemployment Insurance Act <sup>8</sup>
	Monthly benefits—primary, supplementary, and survivors <sup>1</sup>	Lump-sum death payments under 1939 amendments <sup>2</sup>	Lump-sum payments under 1935 act <sup>3</sup>	Employee annuities and pensions <sup>4</sup>	Survivor and death-benefit annuities <sup>5</sup>	Lump-sum death payments <sup>6</sup>		
1939								
January.....			18.7	123.0	2.1	1.7	657.2	
February.....			17.5	124.6	2.2	1.9	769.8	
March.....			21.7	126.1	2.3	2.6	833.2	
April.....			19.4	127.4	2.4	2.2	685.1	
May.....			19.3	128.6	2.5	1.6	776.0	
June.....			18.2	129.7	2.6	1.3	802.2	
July.....			15.7	130.7	2.6	.8	764.9	18.3
August.....			10.9	131.5	2.6	1.2	797.2	30.5
September.....			8.6	132.6	2.7	.9	729.0	50.2
October.....			8.6	133.7	2.7	1.3	801.7	30.5
November.....			9.4	134.9	2.7	1.2	637.0	26.3
December.....			6.8	136.1	2.8	.7	638.3	37.3
1940								
January.....	3.7	( <sup>9</sup> )	8.9	136.6	2.8	1.0	874.8	57.0
February.....	8.4	1.0	6.2	137.6	2.8	1.2	965.8	52.8
March.....	32.6	4.3	5.2	138.4	2.8	1.0	1,095.2	57.2
April.....	52.7	6.2	3.3	139.3	3.0	1.4	980.7	51.0
May.....	72.4	6.0	3.8	140.2	3.0	1.3	1,201.0	35.0

<sup>1</sup> Represents number of individuals for whom monthly benefits were certified to the Secretary of the Treasury during month; is less than number whose claims were allowed during same period.

<sup>2</sup> Number of deceased wage earners with respect to whose wage records payments were made. Figure for April 1940 revised.

<sup>3</sup> Number of deceased wage earners with respect to whose wage records such payments were made. Figures for September and subsequent months are for lump-sum death payments with respect to deaths of covered workers prior to Jan. 1, 1940. Figures for January–August 1939 include 59,380 individuals who received payments at age 65. For monthly distribution of these beneficiaries, see the *Bulletin*, March 1940, p. 32, table 2.

<sup>4</sup> Number of individuals on rolls at end of month specified, based on month in which annuity or pension was certified or terminated upon notice of death rather than on month in which annuity or pension began to accrue or beneficiary died.

<sup>5</sup> Widows receiving both survivor and death-benefit annuities are counted twice, but 2 or more individuals sharing 1 death-benefit annuity are counted as 1.

<sup>6</sup> Based on months ended on 20th calendar day; 2 or more individuals sharing 1 lump-sum payment are counted as 1.

<sup>7</sup> For 1939, represents number of individuals receiving benefits during middle week of month specified. For 1940, represents average number of weeks of unemployment compensated in calendar weeks ended within month.

<sup>8</sup> Number of individuals receiving benefits, for days of unemployment in registration periods of 15 consecutive days, during second and third weeks of month.

<sup>9</sup> Less than 50.



present possible to separate the amount of payments or the number of beneficiaries by the type of benefit paid, data on claims allowed for monthly benefits (table 3) show that, while claims by primary beneficiaries are a decreasing proportion of all claims allowed, they are still the major proportion. In May the children awarded benefits under the program represented one-fourth of the total claims allowed.

In any comparison of monthly beneficiaries and payments under the Social Security Act and the Railroad Retirement Act, it should be remembered that the rolls of old-age and survivors insurance include a large proportion of cases of two or more beneficiaries in one family, because of the special provisions for benefits for aged wives of primary annuitants, children of primary annuitants and of deceased workers, widows with children in their care, and, in certain cases, for each surviving parent. The Railroad Retirement Act provides

**Table 3.—Percentage distribution of claims for monthly benefits allowed under the Federal old-age and survivors insurance program, by type of beneficiary, for specified periods, 1940<sup>1</sup>**

Type of beneficiary	January-May	January-April	May
Total number.....	88,145	64,778	23,367
Total.....	100.0	100.0	100.0
Retired workers, aged 65 or over.....	58.7	62.2	49.1
Wives aged 65 or over.....	11.3	10.3	13.9
Widows aged 65 or over.....	.8	.6	1.1
Dependent parents aged 65 or over.....	.2	.2	.6
Widows with children under age 18.....	8.0	7.2	10.1
Children under age 18.....	21.0	19.5	25.0

<sup>1</sup> Based on adjudicative determination that claimants are entitled to benefits; represents earlier stage than data for January-April presented in the June *Bulletin*, p. 70, table 3.

no such supplementary benefits; the employee annuity or pension or the widow's survivor annuity (in the small proportion of cases where joint annuities are elected) represents the entire payment to the family.

## FINANCIAL AND ECONOMIC DATA

Total expenditures for grants to States and administrative expenses under the Social Security Act for the first 11 months of the fiscal year 1939-40 amounted to \$367.7 million, or 95.8 percent of the appropriations for these purposes. The 8 grants-in-aid programs listed in table 1 showed an expenditure of \$347.2 million or 96.8 percent of their appropriations. The only program to expend less than 90 percent of its appropriation is that for aid to the blind, for which 75.9 percent of its appropriation had been paid out by the end of May.

Disbursements under the act for purposes other than grants-in-aid for the first 11 months of the fiscal year included \$20.5 million for administrative expenses and \$402.8 million transferred to the old-age and survivors insurance trust fund. Expenditures for administration amounted to 81.3 percent of the amount appropriated, and transfers to the trust fund 73.2 percent. On June 15 an additional \$142.0 million was transferred from the appropriation to the trust fund.

### *Appropriations for 1940-41*

The Labor-Federal Security Appropriation Act, 1941, was approved by the President on June 26, 1940. The total amount appropriated for the

Social Security Board for the fiscal year 1940-41 is \$421.2 million, as contrasted with \$367.9 million for 1939-40; both figures include appropriations under the Wagner-Peyser Act. The largest dollar increase appears in the appropriation for grants to States for aid to dependent children, reflecting the change in the ratio of Federal participation provided by the 1939 amendments to the Social Security Act. Funds appropriated for these grants are \$30.0 million more than the \$45.0 million available for 1939-40. The increase in the appropriation for old-age assistance from \$225.0 million to \$245.0 million reflects the increase in the maximum Federal contribution for individual assistance payments under the 1939 amendments. Funds appropriated for aid to the blind increased from \$8.0 to \$10.0 million. The total appropriation for grants to States for unemployment compensation and employment service administration decreased slightly from \$61.5 to \$61.0 million.

The amount appropriated for the administrative expenses of the Social Security Board for 1940-41 totals \$27.2 million. This amount is not strictly comparable with the amount appropriated for 1939-40 partly because of reorganization, such as the transfer of the United States Employment



Service from the Department of Labor to the Social Security Board and the centralization of printing and binding under the Federal Security Agency rather than under the separate bureaus of the

**Table 1.—Federal appropriations and expenditures under the Social Security Act for the fiscal years 1938-39 and 1939-40 (expenditures through May)<sup>1</sup>**

[In thousands]

Item	Fiscal year 1938-39		Fiscal year 1939-40	
	Appropriations <sup>2</sup>	Expenditures through May <sup>3</sup>	Appropriations <sup>2,4</sup>	Expenditures through May <sup>3</sup>
Total, administrative expenses and grants to States.....	\$364,855	\$324,147	\$383,844	\$367,696
Administrative expenses.....	22,705	19,478	25,188	20,477
Federal Security Agency, Social Security Board: Salaries, expenses, and wage records.....	22,300	19,119	24,750	20,105
Department of Labor, Children's Bureau: Salaries and expenses.....	325	287	338	292
Department of Commerce, Bureau of the Census: Salaries and expenses.....	80	72	100	80
Grants to States.....	342,150	304,669	358,655	347,219
Federal Security Agency.....			349,000	337,844
Social Security Board.....	326,000	288,499	339,500	328,405
Old-age assistance.....	214,000	200,021	225,000	220,254
Aid to dependent children.....	45,000	29,753	45,000	44,162
Aid to the blind.....	8,000	5,153	8,000	6,070
Unemployment compensation administration.....	59,000	53,572	61,500	57,919
Public Health Service: Public-health work.....	8,000	7,987	9,500	9,439
Department of Labor, Children's Bureau.....	8,150	8,184	9,655	9,375
Maternal and child-health services.....	3,800	3,679	4,800	4,692
Services for crippled children.....	2,850	2,967	3,350	3,198
Child-welfare services.....	1,500	1,518	1,505	1,485
Transfers to old-age and survivors insurance trust fund <sup>7</sup> .....	\$390,000	447,000	\$550,000	402,817

<sup>1</sup> Excludes some funds appropriated and expended under the Social Security Act because they are not separated from other Federal funds for similar purposes. Such is the case with funds for vocational rehabilitation for which \$104,650 was appropriated in 1938-39 and \$111,500 in 1939-40 for administration in the Office of Education, and \$1.8 million in 1938-39 and \$1,938,000 in 1939-40 for grants to States. For disease and sanitation investigations in the U. S. Public Health Service, appropriations were \$1.6 million in 1938-39 and \$1,640,000 in 1939-40 in addition to grants to States shown in this table.

<sup>2</sup> Excludes unexpended balance of appropriations for previous fiscal year.  
<sup>3</sup> Based on checks cashed and returned to the U. S. Treasury. Includes expenditures from reappropriated balance of appropriations for previous fiscal year.

<sup>4</sup> Includes additional appropriations of \$17.3 million, approved Aug. 9, 1939.  
<sup>5</sup> Includes additional appropriations of \$9 million approved Mar. 15, 1939, and \$10 million approved May 2, 1939.

<sup>6</sup> Includes grants certified by the Social Security Board to States for employment service administration to meet requirements of unemployment compensation program.

<sup>7</sup> See table 3 for detailed statement of this account through May 1940. Prior to January 1940, data represent operations of old-age reserve account.

<sup>8</sup> The 1940 Treasury Department Appropriation Act, approved May 6, 1939, appropriated \$580 million for transfer to old-age reserve account of which \$30 million was made available during 1938-39, leaving \$550 million for transfers during 1939-40.

<sup>9</sup> Excludes reimbursement to the U. S. Treasury for administrative expenses amounting to \$6.2 million.

Source: U. S. Treasury Department, Office of the Commissioner of Accounts and Deposits (appropriations); Daily Statement of the U. S. Treasury (expenditures).

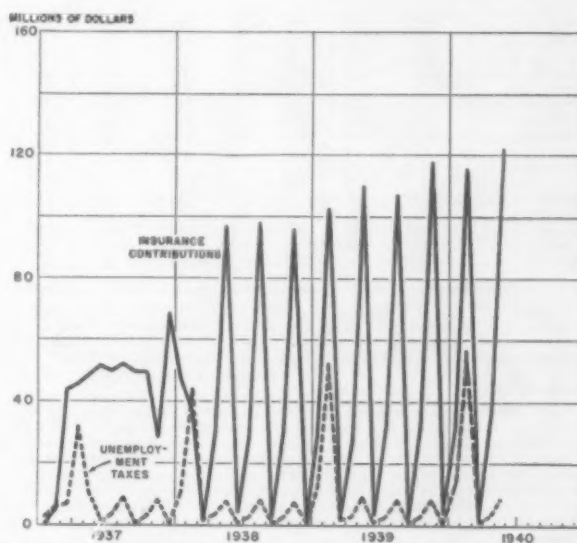
Board. However, a large part of the increase may be attributed to the growth of operations under the old-age and survivors insurance program.

### Receipts and Expenditures

During May 1940, tax receipts of \$131.0 million under the Social Security Act were higher than in any previous month except February 1939 and February 1940, when the unemployment taxes on 1938 and 1939 pay rolls, respectively, were due. About \$122.5 million or 93.2 percent of the May 1940 collections were insurance contributions. This amount represents an all-time monthly high and reflects primarily changes in provisions of the old-age and survivors insurance program (summarized in the June Bulletin, pp. 79-80) rather than increased business activity. Chart I shows the quarterly pattern in insurance contributions and the regular February peak in unemployment taxes.

The volume of insurance receipts in the third quarter of 1940 may possibly rise still further as a result of the generally expected increase in production and pay rolls during the second quarter. Industrial activity increased considerably in May and the first half of June after a decline in April. During May the Federal Reserve Board's seasonally adjusted index of industrial production rose from 102 to 105. This rise reflects chiefly in-

**Chart I.—Federal insurance contributions and Federal unemployment taxes, by months, January 1937–May 1940**



Source: Daily Statement of the U. S. Treasury.



creased activity in steel and woolen mills. Coal production continued at a high level for the spring of the year, reflecting in part an increase in exports. The value of construction contracts awarded, according to F. W. Dodge data, increased in May principally as a result of a growth in private building. The Bureau of Labor Statistics unadjusted index of factory employment declined slightly from 99.6 in April to 99.0 in May, and the index of factory pay rolls rose slightly from 96.3 to 96.4.

Three of the four estimates of unemployment

shown in chart II decreased in April, reflecting among other things the usual seasonal increase in agricultural employment.

Federal receipts other than social security taxes and railroad retirement and unemployment taxes amounted to \$263 million in May, \$10 million less than in May 1939 and less than receipts during any month since April 1939. Total Federal expenditures during May were \$97 million less than those in May 1939 and exceeded total receipts by \$247 million. This excess was reflected in the

**Table 2.—Social security and railroad retirement receipts, expenditures, and issues and total Federal receipts, expenditures, and debt for specified periods, 1936–40**

(In millions)

Period	General and special accounts											Trust accounts, etc., <sup>7</sup> excess receipts (+) or expenditures (–)	Change in general fund balance	Public debt				
	Receipts of Federal Government				Expenditures <sup>8</sup> of Federal Government						Total			Old-age and survivors insurance trust fund <sup>9</sup>	Unemployment trust fund <sup>9</sup>	Railroad retirement account	All other	
	Total	Social security taxes <sup>1</sup>	Railroad retirement and unemployment taxes <sup>2</sup>	All other	Total	Under the Social Security Act		Under the Railroad Retirement Board		All other								
						Administrative expense and grants to States <sup>4</sup>	Transfers to old-age and survivors insurance trust fund <sup>5</sup>	Administrative expense <sup>6</sup>	Transfers to railroad retirement account									
Fiscal year:																		
1936–37.....	\$5,394	\$252	( <sup>9</sup> )	\$5,042	\$8,442	\$183	\$265	\$1	-----	\$7,993	–\$3,149	+\$374	–\$128	\$36,425	\$267	\$312	-----	\$35,846
1937–38.....	6,242	604	\$150	5,488	7,626	291	387	3	\$146	6,799	–1,384	+\$306	–338	37,165	662	872	\$66	35,565
1938–39.....	5,998	631	109	4,928	9,210	343	503	3	107	8,255	–3,542	+\$890	–622	40,440	1,177	1,267	67	37,929
11 months ended:																		
May 1938.....	5,468	600	150	4,718	6,695	268	387	2	146	5,892	–1,228	+\$195	–13	37,422	647	826	65	35,994
May 1939.....	5,055	627	88	4,340	8,259	324	447	3	107	7,378	–3,203	+\$789	–708	40,282	1,094	1,280	67	37,941
May 1940.....	5,141	708	98	4,335	8,514	368	403	7	121	7,615	–3,374	+\$197	–809	42,808	1,565	1,721	77	39,445
1939																		
May.....	397	118	6	273	744	32	50	( <sup>9</sup> )	( <sup>9</sup> )	662	–348	–49	–119	40,282	1,094	1,280	67	37,941
June.....	613	4	21	588	951	17	56	( <sup>9</sup> )	( <sup>9</sup> )	878	–339	–95	–86	40,440	1,177	1,267	67	37,929
July.....	308	35	1	272	807	43	43	( <sup>9</sup> )	22	699	–499	–113	–391	40,661	1,220	1,258	69	38,119
August.....	420	115	4	301	822	36	48	1	18	719	–402	–44	–216	40,891	1,263	1,382	77	38,169
September.....	719	3	24	692	784	20	43	1	7	713	–65	–46	–53	40,858	1,306	1,363	77	38,113
October.....	322	34	1	287	764	45	43	1	10	665	–442	–1	–294	41,036	1,349	1,370	77	38,240
November.....	407	125	4	278	691	24	43	1	10	613	–284	–267	–252	41,305	1,392	1,512	77	38,324
December.....	569	5	25	539	880	20	48	1	10	801	–311	–16	–311	41,942	1,435	1,509	77	38,921
1940																		
January.....	315	45	( <sup>9</sup> )	270	712	41	-----	1	10	660	–398	–37	–194	42,110	1,435	1,637	77	39,061
February.....	444	172	6	266	668	38	-----	( <sup>9</sup> )	10	620	–224	–36	–67	42,365	1,435	1,640	77	39,315
March.....	934	3	27	904	956	27	\$135	1	-----	793	–22	–11	–164	42,840	1,570	1,622	77	39,371
April.....	304	39	( <sup>9</sup> )	265	783	47	-----	( <sup>9</sup> )	20	716	–479	–58	–303	42,658	1,565	1,640	77	39,379
May.....	400	131	6	263	647	28	-----	1	4	614	–247	–83	–181	42,808	1,565	1,721	77	39,445

<sup>1</sup> Titles VIII and IX (except sec. 904) of the Social Security Act were repealed and reenacted as ch. 9, subchs. A and C, respectively, of the Internal Revenue Code approved Feb. 10, 1939. Amendments to the Social Security Act, approved Aug. 10, 1939, permit citation of subchs. A and C as "Federal Insurance Contributions Act" and "Federal Unemployment Tax Act," respectively.

<sup>2</sup> Represents total collections under the Carriers Taxing Act and 10 percent of amount collected by the Railroad Retirement Board under sec. 8 (a) of the Railroad Unemployment Insurance Act, which is deposited with the Treasury and appropriated to railroad unemployment insurance administration fund for administrative expenses of the Railroad Retirement Board in administering the act. Remaining 90 percent of collections under the Railroad Unemployment Insurance Act are deposited in railroad unemployment insurance account in unemployment trust fund.

<sup>3</sup> Excludes public-debt retirement. Based on checks cashed and returned to the U. S. Treasury.

<sup>4</sup> Excludes funds for vocational rehabilitation program of the Office of Education and for disease and sanitation investigations in the U. S. Public Health Service. See table 1, footnote 1.

<sup>5</sup> Prior to January 1940, data represent operations of old-age reserve account.

<sup>6</sup> Includes expenditures for administration of railroad unemployment insurance, amounting to \$300,000 in fiscal year 1938–39 and \$4.6 million in 11 months ended May 1940.

<sup>7</sup> Includes all trust accounts, increment resulting from reduction in weight of the gold dollar, expenditures chargeable against increment on gold (other than retirement of national bank notes), and receipts from seigniorage.

<sup>8</sup> Beginning July 1939, contains separate book account for railroad unemployment insurance account and for each State agency.

<sup>9</sup> Less than \$500,000.

<sup>10</sup> Excludes reimbursement to the U. S. Treasury for administrative expenses amounting to \$6.2 million.

Source: Compiled from data in the Daily Statement of the U. S. Treasury.



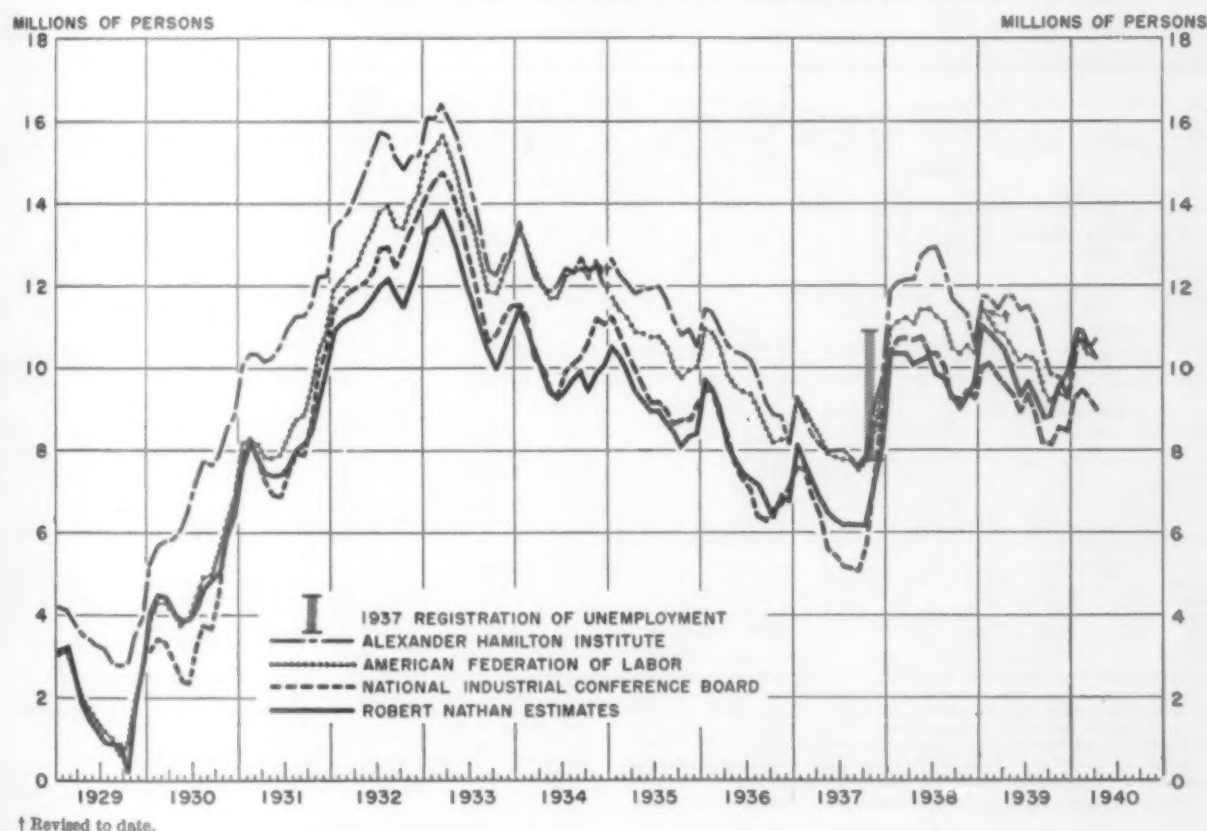
\$150 million rise in the public debt, which totaled \$42.8 billion as of May 31.

The ratio of social security tax receipts to total Federal receipts may be expected to decline in the next year because of the defense tax provisions of the Revenue Act of 1940. This act, approved by the President June 25, increases the excise tax rates on such items as automobiles and parts and accessories, toilet preparations, radios, gasoline, cigarettes, alcoholic beverages, and admissions, and extends until 1945 those excises which were to expire in 1941. It is estimated that these taxes will yield somewhat in excess of \$200 million during the present calendar year. The act further provides for a special defense tax on individual and corporate income, estates, gifts, and capital stock and excess profits equal to 10 percent of the taxes imposed under existing revenue acts. It is estimated that these various changes will yield over \$650 million additional revenue annually. These tax changes are temporary in that they are enacted for a 5-year period.

Additional changes in legislation of a permanent nature were enacted, namely, the reduction of the exemptions under the individual income tax to \$2,000 for married persons and \$800 for single persons and increases in the rates on surtax net incomes in excess of \$6,000 but not in excess of \$100,000. A permanent change was also made in the rate on corporate income taxes, increasing these rates 1 percent. The estimated increase in taxes resulting from these permanent changes is \$322 million annually.

The Revenue Act of 1940 provides that the receipts derived from the various temporary taxes imposed for defense purposes shall be applied to the redemption of obligations authorized by title III of the act. A maximum of \$4.0 billion of these obligations designated as the national-defense series is authorized to be outstanding at any time. Because the national defense obligations are limited to short-term indebtedness, the bulk of these obligations will probably be acquired by banks and other institutional holders of Govern-

Chart II.—Estimates of unemployment, January 1939–April 1940





ment debt. It is likely that within the next months the proportion of the public debt absorbed by social security funds will decrease.

The authorization for the national defense obligations makes possible a temporary increase in the maximum amount of Government obligations outstanding by increasing the limit of obligations issued under the Second Liberty Bond Act from \$45.0 billion to \$49.0 billion.

#### Old-Age and Survivors Insurance Trust Fund

The regular quarterly transfer of funds from the appropriations to the old-age and survivors insurance trust fund took place June 15. The entire \$142.0 million transferred was invested in 2½-percent special Treasury notes. On June 6, \$5.0 million was transferred from the fund to the credit of the disbursing officer for the payment of benefits, and on June 8 old-age reserve account notes amounting to \$5.0 million were redeemed and credited to the fund account. This redemption offset the previous transfer of funds to the disbursing officer.

Total checks for benefit payments cashed in May amounted to \$2.3 million, 15.7 percent more than in April.

#### Unemployment Trust Fund

During May funds were withdrawn for the first time from two State accounts—South Carolina and Vermont—for transfer to the railroad unemployment insurance account. This transfer was made in accordance with section 13(d) of the Railroad Unemployment Insurance Act, which provides for authorization by States for the transfer of certain amounts to the railroad unemployment insurance account from State accounts in the unemployment trust fund. These amounts as defined are intended to approximate railroad contributions for employment occurring prior to July 1, 1939, less benefits paid to railroad workers with respect to unemployment occurring in the same period. All previous items listed in table 4 as transfers from State accounts to the railroad unemployment insurance account were in behalf of the State of Connecticut, whose law does not pro-

Table 3.—Status of the old-age and survivors insurance trust fund for specified periods, 1936–40<sup>1</sup>

[In thousands]

Period	Transfers from appropriations to trust fund	Interest received by trust fund	3-percent special Treasury notes acquired	2½-percent special Treasury notes acquired	Reimbursement for administrative expenses	Deposits with disbursing officer for benefit payments	Collections of improper payments <sup>2</sup>	Benefit payments issued by disbursing officer	Cash with disbursing officer at end of period	Amount available for benefit payments <sup>3</sup>	Credit of fund account <sup>4</sup>	Total assets
Cumulative through May 1940.....	\$1,564,000	\$44,874	\$1,424,200	\$141,000	\$6,183	\$37,362	\$6	\$32,497	\$3,735	\$1,568,935	\$142,259	\$1,711,194
Fiscal year:												
1936–37.....	265,000	<sup>5</sup> 2,262	267,100	—	—	100	—	27	73	267,173	62	267,235
1937–38.....	387,000	15,412	395,200	—	—	7,262	( <sup>7</sup> )	5,404	1,931	664,231	113,012	777,243
1938–39.....	503,000	26,951	514,900	—	—	15,000	3	13,892	3,036	1,180,236	66	1,180,302
11 months ended:												
May 1938.....	387,000	—	379,800	—	—	7,262	( <sup>7</sup> )	4,573	2,762	649,662	113,000	762,662
May 1939.....	447,000	—	432,000	—	—	15,000	2	12,414	4,514	1,098,814	56,015	1,154,829
May 1940.....	409,000	248	247,000	141,000	6,183	15,000	3	13,174	3,735	1,568,935	142,259	1,711,194
1939												
May.....	50,000	—	50,000	—	—	0	( <sup>7</sup> )	1,677	4,514	1,098,814	56,015	1,154,829
June.....	56,000	26,951	82,900	—	—	0	( <sup>7</sup> )	1,478	3,036	1,180,236	66	1,180,302
July.....	43,000	—	43,000	—	—	0	( <sup>7</sup> )	1,427	1,609	1,221,809	507,067	1,728,876
August.....	48,000	—	43,000	—	—	5,000	( <sup>7</sup> )	1,284	5,325	1,268,525	459,067	1,727,591
September.....	43,000	—	43,000	—	—	0	( <sup>7</sup> )	694	4,631	1,310,831	416,067	1,726,897
October.....	43,000	—	43,000	—	—	0	( <sup>7</sup> )	862	3,768	1,352,968	373,067	1,726,035
November.....	43,000	—	43,000	—	—	0	1	837	2,931	1,395,131	330,068	1,725,199
December.....	48,000	—	43,000	—	—	5,000	( <sup>7</sup> )	802	7,129	1,442,329	282,068	1,724,397
1940												
January.....	—	—	—	—	—	0	1	711	6,417	1,441,617	282,069	1,723,686
February.....	—	—	—	—	—	0	1	967	5,450	1,440,650	282,069	1,722,719
March.....	141,000	<sup>5</sup> 132	<sup>5</sup> -6,000	141,000	6,183	0	1	1,283	<sup>10</sup> 3,045	1,573,245	<sup>10</sup> 142,142	1,715,387
April.....	—	<sup>5</sup> 116	<sup>5</sup> -5,000	—	—	5,000	0	1,998	6,047	1,571,247	142,259	1,713,505
May.....	—	—	—	—	—	0	0	2,311	3,735	1,568,935	142,259	1,711,194

<sup>1</sup> Prior to January 1940, data represent operations of old-age reserve account.

<sup>2</sup> For fiscal year 1936–37, \$265 million was appropriated; for 1937–38, \$500 million; for 1938–39, \$500 million plus additional \$30 million made available by 1940 Treasury Department Appropriation Act; and for 1939–40, \$550 million.

<sup>3</sup> Collections of improper payments made to claimants are credited to fund account; such payments are excluded from benefit payments.

<sup>4</sup> Represents investments in Treasury notes and cash with disbursing officer.

<sup>5</sup> Includes balance of appropriation available for transfer.

<sup>6</sup> \$61,811 of interest earned during first 6 months of 1937 was held as an appropriation balance until July 1937, at which time it was transferred to disbursing officer.

<sup>7</sup> Less than \$500.

<sup>8</sup> Accrued interest on redeemed notes credited to fund account.

<sup>9</sup> Notes redeemed credited to fund account.

<sup>10</sup> After transfer of \$1.1 million from disbursing officer's account to credit of fund account.

Source: Compiled from data in the Daily Statement of the U. S. Treasury.



vide for such transfers. The Connecticut law provides instead that the State withdraw funds for administrative expenses from that State's account in the unemployment trust fund not to exceed the amount withheld from certification for administrative expenses by the Social Security Board. The Social Security Board has withheld administrative grants from the State equal to the amounts the Board certified to the Secretary of the Treasury for payment to the railroad unemployment insurance account.

Deposits by the Railroad Retirement Board in the railroad unemployment insurance account amounted to \$1.2 million during May and benefit payments to \$1.3 million. The balance at the end of the month was \$19.1 million.

Deposits in the State accounts amounted to \$142.5 million in May. This figure was \$11.2 million less than that for deposits in the second month of the preceding quarter. State withdrawals during May were \$57.0 million, an amount greater than for any previous month. The excess

of deposits over withdrawals resulted in a net addition of \$85.5 million to the balance of the State accounts.

Total assets of the trust fund as of May 31, including the State accounts and railroad unemployment insurance account, amounted to \$1,733.2 million, of which \$1,721.0 million represented special certificates of indebtedness and \$12.2 million unexpended balances in the cash accounts.

### Railroad Retirement Account

Beginning this month the railroad retirement account table is revised to show the flow of its financial transactions. The railroad retirement account is an account in the United States Treasury to which Congress annually appropriates funds to provide for the payment of all annuities, pensions, and death benefits under the 1935 and the 1937 acts. For convenience in book-keeping, the appropriations are credited to an appropriations account from which, in turn, funds are transferred monthly as required to a trust fund

Table 4.—Status of the unemployment trust fund for specified periods, 1936-40<sup>1</sup>

[In thousands]

Period	Total assets at end of period	Certificates of indebtedness acquired <sup>2</sup>	Unexpended balance at end of period	State accounts				Railroad unemployment insurance account			
				Deposits	Interest received <sup>3</sup>	Withdrawals	Balance at end of period	Transfers from State accounts	Deposits	Benefit payments	Balance at end of period
Cumulative through May 1940.....	\$1,733,220	\$1,721,000	\$12,220	\$2,717,082	\$62,476	\$1,065,452	\$1,714,107	\$1,773	\$30,944	\$13,603	\$19,113
Fiscal year:											
1936-37.....	312,389	293,386	94	291,703	2,737	1,000	312,389				
1937-38.....	884,247	559,705	12,247	747,690	13,172	190,975	884,247				
1938-39.....	1,290,539	395,000	13,539	811,251	26,837	441,795	1,280,539				
11 months ended:											
May 1938.....	840,733	513,370	15,068	674,686	5,908	152,250	840,733				
May 1939.....	1,299,600	408,000	9,600	793,842	12,154	400,642	1,289,600				
May 1940.....	1,733,220	454,000	12,220	847,610	17,639	431,682	1,714,107	\$1,773	30,944	13,603	19,113
1939											
May.....	1,289,600	108,000	9,600	137,061	0	32,061	1,299,600				
June.....	1,280,539	—13,000	13,539	17,409	14,683	41,153	1,280,539				
July.....	1,296,904	—14,000	43,804	42,648	15	41,581	1,281,620	\$253		69	\$15,184
August.....	1,410,448	129,000	28,448	154,173	0	39,754	1,396,039	\$91		865	14,410
September.....	1,383,531	—19,000	20,531	12,748	104	38,497	1,370,393	0		1,271	13,139
October.....	1,413,866	7,000	43,866	54,027	35	22,859	1,401,596	\$255		1,124	12,270
November.....	1,528,227	142,000	16,227	143,224	0	28,607	1,516,213	0	622	877	12,015
December.....	1,524,784	—3,000	15,784	14,587	114	30,899	1,499,965	0	13,851	1,046	24,820
1940											
January.....	1,545,997	28,000	8,997	62,092	17,103	41,492	1,537,698	\$184	21	1,694	\$8,331
February.....	1,655,658	103,000	15,658	153,718	0	43,176	1,648,210	0	869	1,740	7,450
March.....	1,638,578	—18,000	16,578	15,138	131	44,760	1,619,719	0	14,326	1,915	19,861
April.....	1,616,757	18,000	6,757	52,806	138	43,104	1,628,559	0	15	1,676	18,200
May.....	1,733,220	81,000	12,220	142,501	0	56,952	1,714,107	990	1,240	1,317	19,113

<sup>1</sup> Beginning July 1939, unemployment trust fund contains separate book account for railroad unemployment insurance account in which are held moneys deposited by the Railroad Retirement Board and from which the Secretary of the Treasury makes unemployment benefit payments as certified by the Railroad Retirement Board. The trust fund continues as heretofore separate accounts for each State agency in which are held all moneys deposited from State unemployment funds and from which State agencies withdraw amounts as required for benefit payments.

<sup>2</sup> Minus figures represent sale of certificates.

<sup>3</sup> Includes interest received on redeemed Treasury certificates.

<sup>4</sup> These amounts were certified by the Social Security Board to the Secretary of the Treasury, in behalf of the State of Connecticut for payment into railroad unemployment insurance account in accordance with sec. 13 of the Railroad Unemployment Insurance Act.

<sup>5</sup> \$15 million was advanced by the Treasury to railroad unemployment insurance account in July 1939, pursuant to sec. 10 (d) of the Railroad Unemployment Insurance Act, and was repaid during January 1940.

Source: Daily Statement of the U. S. Treasury.



account. The purchase of Treasury notes is made from funds in the trust fund account, and the income from the sale of these notes is credited to it. To the trust fund account are credited also unpaid benefit checks returned to and canceled by the General Accounting Office, repayments of amounts improperly paid to claimants, and interest on investments in Treasury notes. From the trust fund account amounts required to meet current obligations of the system are deposited with the disbursing officer—a Treasury official who makes benefit payments on vouchers drawn against him by the Railroad Retirement Board.

The table is now arranged to show separately these three component parts of the account. The movement of funds from one account to the other

and the derivation of the balance remaining in each separate account are indicated in the column captions. Column 13 has been added to show the total assets of the railroad retirement account at the end of specified periods; these assets are derived by totaling the figures in columns 3, 8, 9, and 12. Column 4—transfers from the appropriation account—properly belongs under both the appropriation account and the trust fund account, and column 10—deposits from trust fund—under both the trust fund account and the account of the disbursing officer. To avoid such repetition, column 3 is introduced to show directly the balance in the appropriation account after transfers are made to the trust fund account, and column 9, to show the cash balance in the trust

Table 5.—Status of the railroad retirement account for specified periods, 1936-40

[In thousands]

Period	Appropriation account		Trust fund account						Account of disbursing officer			Total assets at end of period
	Amount at beginning of period	Balance at end of period after transfers to trust fund account	Transfers from appropriation account	Cancellations and repayments	Interest received	3-percent Treasury notes		Cash balance at end of period after deposits with disbursing officer	Deposits from trust fund	Benefit payments	Cash balance at end of period	
						Net balance of purchases over sales	Balance at end of period					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Cumulative through May 1940.....	\$390,292	\$10,750	\$379,542	\$139	\$3,613	\$77,200	\$77,200	\$14	\$306,084	\$289,631	\$11,059	\$99,025
Fiscal year:												
1936-37.....	46,620	36,622	\$ 9,998	2	1,411	0	0	0	10,000	4,070	5,930	42,585
1937-38.....	141,894	94	141,800	25	1,411	66,200	66,200	\$140	76,900	76,421	\$ 1,015	67,449
1938-39.....	118,344	11,250	107,094	94	2,202	1,000	67,200	1,956	106,574	106,665	1,924	82,329
11 months ended:												
May 1938.....	141,894	894	141,000	21	162	65,000	65,000	\$187	76,000	68,225	\$ 8,311	74,262
May 1939.....	118,344	11,250	107,094	90	266	1,000	67,200	17	106,574	96,636	10,953	80,419
May 1940.....	131,400	10,750	120,650	18	-----	10,000	77,200	14	112,610	103,475	11,059	90,030
1939												
May.....	11,344	11,250	94	2	266	-10,000	67,200	17	10,360	9,097	10,953	80,419
June.....	11,250	11,250	0	3	1,936	0	67,200	1,956	0	9,029	1,924	82,329
July.....	131,400	109,500	21,900	2	-----	1,900	69,100	1,957	20,000	9,060	12,864	193,421
August.....	109,500	91,400	18,100	1	-----	8,100	77,200	1,959	10,000	9,018	13,846	184,405
September.....	91,400	84,250	7,150	3	-----	0	77,200	2	9,110	9,192	13,764	175,218
October.....	84,250	74,250	10,000	2	-----	0	77,200	4	10,000	9,395	14,369	165,823
November.....	74,250	64,250	10,000	1	-----	0	77,200	4	10,000	9,363	15,006	156,460
December.....	64,250	54,250	10,000	1	-----	0	77,200	5	10,000	9,345	15,661	147,110
1940												
January.....	54,250	44,250	10,000	2	-----	0	77,200	7	10,000	9,408	16,253	137,710
February.....	44,250	34,250	10,000	1	-----	0	77,200	8	10,000	9,643	16,610	128,080
March.....	34,250	34,250	0	2	-----	0	77,200	10	0	9,548	7,062	118,522
April.....	34,250	14,250	20,000	3	-----	0	77,200	13	20,000	9,798	17,264	106,727
May.....	14,250	10,750	3,500	1	-----	0	77,200	14	3,500	9,705	11,059	90,030

<sup>1</sup> Represents total appropriation to date, including transfer to appropriation of balance of \$5,392,000 from 1935 act deposits with disbursing officer, and not amount at beginning of period. Amounts appropriated annually have been as follows: 1936-37, \$46,620,000; 1937-38, \$60,880,000; 1938-39, \$118,250,000; 1939-40, \$120,150,000.

<sup>2</sup> Includes payments of \$10 million made direct to disbursing officer in 1936-37 and not treated as transfer to trust fund, which was not set up until July 1937. Excludes, however, cancellations and repayments of \$2,000 in 1936-37 which were treated as returns to appropriation rather than as additions to trust fund.

<sup>3</sup> Includes transfer of \$4,000 from 1935 act appropriation.

<sup>4</sup> On basis of checks issued by disbursing officer less checks canceled by

disbursing officer, total benefit payments through May 1940 are \$8.8 million less than total on basis of vouchers certified to the Secretary of the Treasury for payment as shown on p. 77, table 1, since checks drawn by disbursing officer as of first of month are certified to the Secretary of the Treasury for payment and encumbered on books of the Railroad Retirement Board in latter part of preceding month.

<sup>5</sup> After transfer to appropriation of balance of \$5,392,000 from 1935 act deposits with disbursing officer and transfer to 1935 act appropriation of \$2,000 representing cancellations of checks issued against 1935 act deposits.

Source: Railroad Retirement Board, Bureau of General Control, Division of Finance.



fund account after deposits with the disbursing officer. Column 8 shows a cumulative balance, as of the end of the period, of the 3-percent Treasury notes acquired.

During May \$3.5 million was transferred from appropriations to the trust fund account, and the same amount was transferred from the trust fund account to the disbursing officer. The disbursing officer drew on his cash balance to meet monthly benefit payments amounting to \$9.7 million. These transactions left a balance in the appropriations account amounting to \$10.8 million, a cash balance of \$14,000 in the trust fund, and one of \$11.1 million with the disbursing officer. In addition, the retirement account had a balance of \$77.2 million in 3-percent Treasury notes in the trust fund. Thus, total assets (investments, cash, and appropriation balances) of the account amounted at the end of May to more than \$99.0 million.

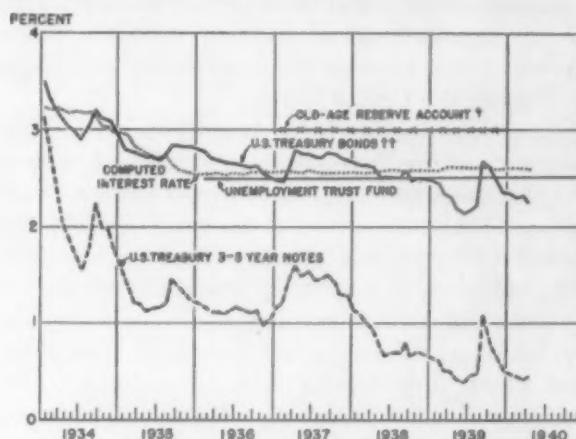
### Yields on Government Securities

During May the prices of Government securities declined and yields rose in response to war developments abroad. Issues of Government bonds for the first time since November 1939 were selling on the market at prices yielding 2.5 percent to call—the minimum rate at which these Government obligations were eligible investments for the unemployment trust fund. The monthly average of daily yields on Treasury bonds due or callable after 12 years rose to 2.38 percent in May from 2.25 percent in April and March. At the end of May and during the first weeks in June the yields on closing prices rose still further and reached a level of 2.47 for the week ended May 25, 2.48 for the week ended June 1, and 2.49 for the week ended June 8.

Prices and yields of Treasury notes moved in a similar way. The average yield of Treasury notes which were 0.45 and 0.65 percent in April and May, respectively, reached 0.83 percent for the week ended June 1, and 0.84 percent for the week ended June 8.

The rate on special obligations issued to the unemployment and old-age and survivors insurance trust funds is required by law to be equal to the average rate of interest on the public debt outstanding at the end of the month next preceding the date of such issues. If this rate is not a multiple of  $\frac{1}{8}$  of 1 percent, the rate on special obligations is required to be that multiple

Chart III.—Average yields on United States obligations and the computed rate of interest on the public debt, by months, January 1934–May 1940



† From Jan. 1, 1940, the interest rate on special obligations held by the old-age and survivors insurance trust fund (formerly the old-age reserve account) is the same as that for the unemployment trust fund certificates.  
†† All Treasury bonds except those due or callable within 12 years.

of  $\frac{1}{8}$  of 1 percent next lower than the average rate. As indicated in chart III the computed or average rate of interest on the public debt has been above 2.5 and below 2.625 since the creation of the social security trust funds; therefore, the rate on special obligations has been 2.5. If the rate falls below 2.5 or rises to 2.625 the rate on special obligations will be changed.

### United States Savings Bonds

The recent regulation of the Treasury Department, effective April 1, 1940, limiting the purchase of United States savings bonds to individuals serves to emphasize the importance which these bonds have acquired as a mechanism for individual savings. These bonds were designed primarily to provide a safe type of investment for individuals in the lower income classes. Undoubtedly, many investors make regular purchases to acquire retirement incomes and to supplement old-age insurance payments provided under the Social Security Act and other retirement plans. As of December 1939, approximately 2 million individuals, residents of the States, Territories, and possessions of the United States owned approximately 11 million savings bonds. Between 75 and 80 percent of the approximately 200,000 bonds<sup>1</sup> sold monthly are sold to previous purchasers. The average holding is about \$1,000

<sup>1</sup> House Hearings, *Treasury Department Appropriation Bill for 1941*, 76th Cong., 2d sess., pp. 189–193, 212.



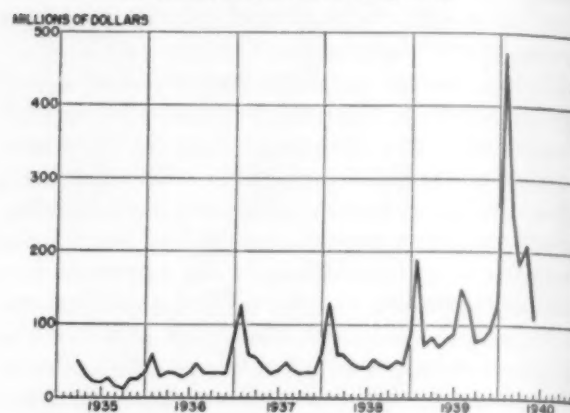
whereas the average denomination of bonds issued is about \$275. It is estimated that approximately 3 percent of the investors each year are buying up to the annual limit of \$10,000 maturity value. Savings bonds are now the most widely held single security in the United States.

According to the 1938 Annual Report of the Secretary of the Treasury, a tabulation of answers to questionnaires sent to all owners of savings bonds indicated that 26 percent of the bonds outstanding were held by skilled laborers, 23 percent by clerical employees, 16 percent by domestics, 20 percent by other individuals, and the remaining 15 percent by banks, trust companies, insurance companies, and other corporations and associations.<sup>2</sup> The holdings of this latter group of investors increased to approximately 22 percent of the bonds outstanding by April 1940. By the recent Treasury regulation, however, savings bonds are no longer available to this group of investors.

Chart IV shows the marked trend of increase in sales of United States savings bonds from March 1935, when they were first offered for sale, through

<sup>2</sup> Annual Report of the Secretary of the Treasury . . . Fiscal Year Ended June 30, 1938, p. 231.

Chart IV.—Sales of United States savings bonds, by months, March 1935–May 1940



Source: March 1935–June 1939, Annual Reports of the Secretary of the Treasury; July 1939–May 1940, Division of Savings Bonds, Treasury Department.

May 1940. The peaks in January of each year result from the fact that many of the individuals who purchase the maximum permitted by law enter the market and buy in January their bonds for the year. As of May 31, 1940, total savings bonds outstanding amounted to \$3,712 million (maturity value) or a current redemption value of \$2,869 million.

## RECENT PUBLICATIONS IN THE FIELD OF SOCIAL SECURITY

### GENERAL

ALPERT, RENA G. "Legislative Protection for the Agricultural Laborer." *George Washington Law Review*, Washington, Vol. 8, No. 6 (May 1940), pp. 1060–1069. (Editorial notes.)

Includes the recommendation that the Social Security Act be extended to cover large-scale farming operations.

"Bills in Congress Directed Toward Greater Social Security." *American Federationist*. Washington, Vol. 47, No. 6 (June 1940), pp. 599–602.

Brief summaries of 13 bills sponsored by the American Federation of Labor.

COMPTON, RALPH THEODORE. *The Social Security Payroll Taxes*. New York and Chicago: Commerce Clearing House, Inc., 1940. xvii, 446 pp.

An "explanatory and descriptive analysis of the fundamental principles and application of federal and state social security laws, from the taxpaying standpoint." From the standpoint of helping employers solve pay-roll tax problems at minimum cost, the four parts cover: Scope and Background of the Social Security System;

Payroll Tax Rates, Credits and Measure; The Tax Base—"Employment by Employers"; and Minimizing Payroll Tax Costs: Unemployment Benefits and Employer Experience Rating. Matters such as taxable wages, exempt employment, computation of benefits, experience rating, and stabilization of employment are treated in detail, with many illustrative examples, charts, and tables.

DAVISON, RONALD. "Social Assistance: Recent British Policy." *Social Service Review*, Chicago, Vol. 14, No. 2 (June 1940), pp. 207–210.

The "two-tier national system of social security" being built up in England is compared with some of the insurance and assistance problems in the United States.

DOWNY, SHERIDAN. *Highways to Prosperity*. Chicago: Townsend National Weekly, Inc., 1940. 158 pp.

Includes an explanation of depression as caused by over-saving, a detailed criticism of the Social Security Act, a plea for the Townsend Plan, and recommendations for large government expenditures on self-liquidating projects, specifically a highway system to cost \$100 billion.

EFSSTEIN, ABRAHAM. "Social Security—Where Are We Now?" *Harper's Magazine*, New York, Vol. 181, No. 1081 (June 1940), pp. 32–39.



Praise for the existing systems of old-age and survivors insurance and of old-age assistance, but criticism of unemployment insurance on the grounds of complexity in administration and inadequacy of benefits.

FALE, I. S. "Permanent Disability Insurance." *American Labor Legislation Review*, New York, Vol. 30, No. 2 (June 1940), pp. 68-71.

A discussion of disability insurance for persons over 18, with a description and evaluation of the Wagner bill (S. 3924) to amend the Social Security Act through provision of disability benefits.

GILLETTE, J. M. "Social-Economic Submergence in a Plains State." *Public Welfare Bulletin* (Public Welfare Board of North Dakota), Bismarek, Vol. 5, No. 4 (April 1940), pp. 1-7. Processed.

Concerns employable farm migrants who have settled in the towns of North Dakota during the past few years.

MOULTON, HAROLD G.; EDWARDS, GEORGE W.; MAGEE, JAMES D.; and LEWIS, CLEONA. *Capital Expansion, Employment, and Economic Stability*. Washington: Brookings Institution, 1940. 413 pp.

The "two primary objectives" of this study are: "first, to disclose as accurately as possible the facts as to the changes which have been occurring in the American capital market; and second, to test the validity of the various explanations which have been advanced as to the probable causes of the present stagnation of capital enterprise." There are two parts—Investment Trends and Capital Requirements, and Government Policies and Private Capital Expansion. Conclusions are set forth in question-and-answer form in the final chapter, which affirms that economic stability is impossible with millions unemployed and that reemployment demands an expansion of capital enterprise.

"Pensions on Pensions." *American Labor Legislation Review*, New York, Vol. 30, No. 2 (June 1940), pp. 61-62.

Advocates elimination of duplication of different types of public insurance through consideration of all social insurance requirements, State and Federal.

SEYBOLD, GENEVA, compiler. *American Foundations and Their Fields*. 4th ed. New York: Raymond Rich Associates, 1939. 218 pp.

A directory of 247 foundations, including officers, purpose, methods of operation, and financial statistics. There are chapters on capital funds, total grants, and distribution of grants, including changing fields of interest. A subject classification gives the disbursements by field of service.

"Social Legislation in Wartime: Requisitioning of Labour." *International Labour Review*, Geneva, Vol. 41, No. 6 (June 1940), pp. 582-608.

Wartime measures in Finland, France, Germany, Hungary, Japan, the Netherlands, Poland, Sweden, and Switzerland.

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A criticism of the present old-age and survivors insurance system, chiefly on the grounds of the relatively lower benefits accruing to those having long coverage in the higher-wage groups. Recommends payment of "certain old-age non-contributory pensions" to all aged citizens not paying an income tax, and payment of a "regular compulsory old-age insurance" to industrial and urban workers on the basis of pay-roll contributions.

"Pensions for Widows and Orphans of World War Veterans." *Congressional Digest*, Washington, Vol. 19, Nos. 6-7 (June-July 1940), pp. 163-192.

An explanation of the World War Widows' and Orphans' Pension Bill (H. R. 9000) and arguments for and against its adoption. Actuarial and financial data are included.

"Review of Railroad Retirement Operations Through April 1940." *Monthly Review of the Railroad Retirement Board*, Washington, Vol. 1, No. 1 (May 1940), pp. 5-12. Processed.

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"Baneful Effects of Merit Rating Coming to Fore." *Social Security*, New York, Vol. 14, No. 6 (June-July 1940), pp. 3-4.



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"Conditions of Domestic Employment in the Scandinavian Countries." *International Labour Review*, Geneva, Vol. 41, No. 6 (June 1940), pp. 614-633. (Reports and Enquiries.)

A summary of reports published in Sweden, Norway, and Denmark during 1938 and 1939.

COFF, TRACY. "Correlation of Rehabilitation and Related Services in the Federal Security Agency." *National Rehabilitation News*, Chicago, Vol. 5, No. 9 (June 1940), pp. 16-17.

CRAIG, DAVID R. "Experience Rating and Employment Security; In Favor of Experience Rating." *Employment Security Review*, Washington, Vol. 7, No. 5 (May 1940), pp. 5-9.

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A collection of 15 articles on various phases of unemployment, training, choosing a vocational field, making job applications, and other points. Issued principally for use in schools, the magazine has many photographic illustrations and charts and contains a bibliography.

FISHER, WALDO E. "Union Wage and Hour Policies and Employment." *American Economic Review*, Menasha, Wis., Vol. 30, No. 2, Pt. I (June 1940), pp. 290-299.

HARDING, EDWARD J. "Experience Rating Jeopardizes Employment Opportunities." *Employment Security Review*, Washington, Vol. 7, No. 5 (May 1940), pp. 10-14.

HOROWITZ, IRVING LEWIS. *The Metal Machining Trades in Philadelphia; An Occupational Survey*. Philadelphia: The Author (John Bartram High School, Philadelphia), 1939. 129 pp.

The purpose of this study, which is especially timely because of the interest in machine-tool production, "is to provide information concerning the number, the nature, and requirements of the machine shop occupations in urban Philadelphia." It is designed "primarily to aid in the guidance and training of youth in public schools" and contains information on personnel selection, training, conditions of work, recent manufacturing processes, wages, hours, and other matters. Includes a bibliography.

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This analysis of 14 studies in 9 countries receives war-time emphasis in the reminder that unemployment increased after the war of 1914-18, and also that "the present war will almost certainly result in a drastic lowering of living standards."

INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES IN REGION VII. *Proceedings . . . Jacksonville, Fla., January 18, 19 and 20, 1940*. 102 pp. Processed.

Includes the following papers: The Federal Security Agency—Organization and Aims, by James H. McGinnis; New Rulings on Federal Unemployment Tax Act, by John L. Fahs; The Broad Implications of the Employment Security Program, by R. G. Wagenet; Business and Employment Security, by E. H. Reynolds; and The Place of Training in the Administration of Employment Security Programs, by John Hader. Committee reports and resolutions are also included.

MALISOFF, HARRY. "The Import of Theory in Unemployment Compensation." *Political Science Quarterly*, New York, Vol. 55, No. 2 (June 1940), pp. 249-258.

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MCNUTT, PAUL V. "A Message to the Rehabilitation Service." *National Rehabilitation News*, Chicago, Vol. 5, No. 9 (June 1940), pp. 3 ff.

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PALMER, JANE H. *Junior Placement; A Survey of Junior-Placement Offices in Public Employment Centers and in Public-School Systems of the United States*. Washington: U. S. Government Printing Office, 1940. 134 pp. (U. S. Children's Bureau Publication No. 256.)

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PIDGEON, MARY ELIZABETH, and METTERT, MARGARET THOMPSON. *Employed Women and Family Support*. Washington: U. S. Government Printing Office, 1939. 57 pp. (U. S. Women's Bureau Bulletin No. 168.)

"Reduction in Unemployment Insurance Tax Imperative." *Social Security*, New York, Vol. 14, No. 6 (June-July 1940), pp. 1 ff.

A statement by the Board of Directors of the American Association for Social Security which gives reasons for



## PUBLIC WELFARE AND RELIEF

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Effects of personal property tax assessment laws and of experience rating on employers' efforts to stabilize employment.

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WILBUR, C. J. "Next Steps in Unemployment Compensation." *American Labor Legislation Review*, New York, Vol. 30, No. 2 (June 1940), pp. 57-60.

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BURNS, EVELINE M. "A Study of National Relief Policy." *Public Welfare News*, Chicago, Vol. 8, No. 3 (March 1940), pp. 2-4. Processed.

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